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# FINANCIALTIMES

PUBLISHED IN LONDON AND FRANKFURT

10p a

BY SUE CAMERON

a similar amount.

THE PRICE of petrol in the UK

is expected to go up by around 10p a gallon in the wake of the

OPEC price rises. The prices of

other oil products such as diesel and heating oil will increase by

The OPEC price rises are also expected to push up the retail price index by an extra 0.75 per

cent by the end of the year. This is on top of the 171 per ceot anoual rate of retail price

inflation expected by November.

viding enough oil to meet 85 per cent of domestic demand.

The forthcoming increase in

There was general agreement

among the major oil companies

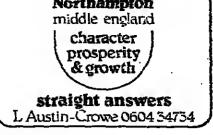
petrol and other oil products will reflect not only yesterday's

OPEC decision but also earlier

Concern

in the horror story."

ducer,



CONTINENTAL SELLING PRICES: AUSTRIA Seb 15; BELGIUM Fr 25; DENMARK Kr 3.5; PRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS FI 2.0; NORWAY Kr 3.5; CONTUGAL 660 26; SPAIN PM 50; SWEDEN Kr 3.26; SWITZERLAND Fr 2.0; EIRE 202

#### EWS SUMMARY

# lomson meet iders

Thomson, chairman of International Thomson sation, is to meet leaders National Graphical tion to discuss the dis-bich has halted all pro-1 of Times Newspapers

times for seven months. Thomson rejected a is request for a meeting oe Wade, NGA general ry, shortly after the susof publication. He red to a new request after Thomson Organisation meeting on Wednesday, ate has been fixed for the g hut it is expected to t week. Back Page

#### Hear pact

rime Ministers of Come-e Eastern bloc's economic ng, aigned an agreement manufacture of equipor atomic evergy stations will pave the way for massive transition to r power envisaged for the in 1981-1990. Back Page, Review. Page 3

#### sulate sacked

office of the British ry consul in Managua has ransacked by Nicaragua al Guardsmen, presum-king valuables. The U.S. ment today begins formal f with the anti-Somoza government a City. Page 5

#### aka 'plot'

sian security forces claim e captured documents in Lusaka raid this week show that Zipra guerrillas Joshua Nkomo are plano disrupt next month's onwealth conference.

#### g bomb lead

ip calling itself the Julien t Brigade of 25 June, rlaimed responsibility for seassination attempt on al Alexander Haig, Natn ry commander. Annther Vengeance and Liberty. so claimed responsibility

#### 1 bomb threat Basque nationalist grnup

said it will place three in major Spanish tourist today unless the nment transfers mure 100 alleged ETA niembers n Soria maximum security to jails in the Basque

#### mstar fails

ermo Vilas, who "won" the Friedon uttle in the film frs just released, could make life insitate art yester-The number six seed went in four sets to 19-year-old rican Kim Wilkinson. Juhn ett, Page 9

#### Hi-EEC BIII

ony Wedgwood Benn, one he Labour Party's most mined anti-marketeers, ished a Bill which would rmine the UK's relationwith the EEC. The Bill co-sponsored by five other wingers on the parly's

osiems hanged an authorities hanged 15 accused of being Moalem curists in the first tough ial response to the wave of

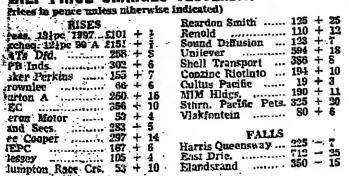
ders throughout the country

#### e February. Page 4

ish supertanker rescued 22 vivors from a tanker which ke in half, exploded and k in the Indian Ocean. alth Department warned ppers, caterers and cafes inst using Brazilian corned if fullowing 25 foud poison-cases in Bristol and the

rth. Page 8 litipe Cousteau, son of ench occanographer Jacques usteau, died in a plane crash

#### HIEF PRICE CHANGES YESTERDAY



#### BUSINESS

# **Equities** gain 2.4; Gold down $$4\frac{1}{2}$

• EQUITY leaders edged forward on selective buying, en-conraged by the gifts market where two tap stocks were activated. The FT 30-share index rose 2.4 to 469.3.

• GILTS advanced on revived lovestment demand and the Government Securities index was np 0.24 at 70.81.

STERLING rose to a four-year high against the dollar at \$2.1690, up 1.30c on the day. Its trade-weighted index in creased to 69.4 (69.0). The dollar's index remained at 85.

© GOLD fell \$4! in London to \$277). In New York, Comex July settlement was \$278.50 (\$278.06).



WALL STREET closed 2.52 np at \$43.04.

. U.S. MONEY SUPPLY: MI up \$200m to \$368.9hn; M2 up Sabn to 3904.9hn.

FILM INDICERY ASSESSED TO BE THE SWEEPING TAX Changes to Being its participants retain profits and earnings, says a committee headed by Sir Harold Wilson, It also wants the system changed to stop cash for softporn productions. Back and

O POST OFFICE faces an extra £35m cost for-interest charges on money horrowed to pay wages as industrial action by clerical staff held up collection of £500m of telephone hills.

 NEW CAR sales in the firsthaif topped the 1m mark for the first time, with the industry expecting a record 1.7m total for the year. Back Page

OUK TRADE DEFICIT with Japan was £370m in the first five months of this year, with exports totalling £245m (up 20.5 per cent) and imports £615m (up 20.6 per cent). Page 6

• U.S. ADVERTISING agency Young and Rubicam plans to acquire Marsteller Inc., another private agency, to form what is expected to be the country's largest advertising group. Back

 NATIONAL UNION of Railwaymen rejected a call for a basic wage of £65 a week (over 30 per cent increase), to give negotiators more flexibility in gaining bigher rises for some

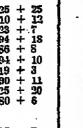
grades. Page 9 WEST GERMAN trade surplus fell again in May to: DM 2hn (£503m), against DM 3.3bn in April. The current account is now almost exactly in balauce. Page 2

© CHINA plans to run up a \$3.5bn (£1.62bn) trade deficit this year and more than treble its imports of technology and equipment, according to its pational economic plan.

#### COMPANIES

 PLESSEY telecommunica-tions group profits rose by 7.9 per cent to £46.25m on sales of £648m (£611m) for the year to March 31. Results, Page 26;

• REDLAND, which provides building materials and services, saw pre-tax profits rise 13 per cent to a record £45.2m for the year to March 31. Results, Page 26; Lex



Harris Queensway ... 225 - 7 East Drie. ...... 712 - 25 Elandsrand ...... 350 - 15

No. 27,902

Friday June 29 1979

\*\*15p

Northampton

Upper limit set of \$23.50 for a barrel of oil

# OPEC compromise Petrol will raise crude price at least 15%

BY RICHARD JOHNS IN GENEVA

The Organisation of Petroleum Exporting Countries reached an awkward compromise yesterday after two days' hard bargaining that will mean an average increase in oil prices of not less than 15 per cent over present levels.

The new OPEC rates, based on an effective two-tier price system, will on average be more than 50 per cent bigher than tbose charged in 1978. would stick to their undertaking not to exceed \$23.50 maximum. The aecond was whether Saudi Arabia will temporarily raise output from its main producing fields above its official ceiling

their basic price, up to an upper that their commitment limit of \$23.50 a harrel. Iran, whose crude oil closely resembles Saudi Arabia's, will on Saudi Arabia's, will sell at about \$21-\$22 a harrel.

The new rates will mean an increase of 23.7 per cent above the \$14.55 aet for the April-June period for Saudi oil. In addition, it appears that the kingdom is backdating the rise to the beginning of this month. to the beginning of this month pared to do so, although that and cutting the grace period for payment from 60 days to 30.

On the upper tier, the rise

Two big but related questions sumption. Ahu remained unresolved. The first Last night, Sheikh Yamani align was whether OPEC members gave a warning that unless steps dom.

saudl Arabia, which produces just a third of OPEC production, will sell its oil at \$18 a barrel.

Under the new agreement. bowever, OPEC members will be allowed to add a premium to their basic price, up to an under their basic price, up to an under their basic price, up to an under their sommitment. understood to have indicated that their commitment

on Saudi Arabia. Sheikh Ahmed Zaki Yamani, Saudi Minister of Oil, said that

On the upper tier, the rise for the more bighly favoured premium grades, such as Algeria's Sahara hlend, has been held to 12 per cent over present levels.

Sbeikh Yamani has indicated that Saudi policy io that respect might depend on the outcome of the Western economic summit in Tokyo and what leaders there agree upon about curbing con-

Editorial comment Page 24 • World reactions Page 2 • UK energy trends Page 8 Parliament Page 9 • Commodities Page 37

Crude Oil Prices Iranian Light Light (MARKER)

were taken by the consuming countries, oil prices would rise further.

In an interview he gave the impression that he was not totally confident that the OPEC compromise would prove firm. At the same time, he welcomed tha proposal by President Giscard d'Estaing of France for Sheikh Yamani also said that rises in the price of Kuwaiti and North Sea oil. strict cootrols on oil imports.

United Arab Emirates (in effect. numption.

Ahu Dhabi and Qatar) would
Last night, Sheikh Yamani align themselves with the king-

# that the next round of product price rises would have to be introduced quickly, particularly in view of their present de-

# Tokyo summit strives to heal energy differences

BY REGINALD DALE IN TOKYO

THE WORLD'S seven leading freeze oil imports at 1978 levels back in line with demand. industrial nations had made only until 1985. None of the others A particular problem slow progress last night towards a joint response to the latest energy crisis. But they appeared peans. determined to hammer out a common stance before the end of their two-day summit meeting in Tokyo this afternoon. After what was described as not a good day," the heads of

government left it to their aenior belts. officials to work overnight to try wants to find a solution to the issue dominating the summit, The principal split was still overall nine-nation Community between the four EEC countries represented—the UK, France, The UK, Germany and Italy

Germany and Italy-and their three non-European partners, the U.S., Japan and Canada. The EEC countries, who

week's Strashourg sumpit, want and would in any case prefer the other three governments to to place greater emphasis on match their commitment to market forces to bring supply

ther concessions from the Euro-The U.S. delegation is arguing

that Presideot Carter can persuade the American people to accept energy sacrifices only if it is clear that other countries are also tightening their For this reason, he specific country-bycountry targets agreed by the EEC countries, instead of the

all oppose national targets. Both Mrs. Margaret Thatcher and Herr Helmut Schmidt, the West German Chaocellor, helieve agreed a common position at last these are difficult to enforce,

until 1985. None of the others A particular problem for wants to go so far without fur- Britain is that other countries might insist on a small import quota for the UK, in the light of the domestic availability of North Sea oil. The UK might have to consider getting the import quota increased by offering more North Sea oil to its partners.

A further difficulty is the reference date for future oil passed on to the customers. restrictions. The U.S. and Japan both want the hase year to he 1977, when they had a high level of imports, but the four EEC countries, and most emphatically France, were last night sticking to 1978.

A variety of compromise proosals were being floated. The U.S. proposed that limits should be set for this year and next, Continued on Back Page

Other developments, Page 4

# BAT may buy Mac Market

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

BAT INDUSTRIES is negotiat- at about £20m. lever in an attempt to revive ing offshoot.

The negotiations were announced yesterday by both companies to stem apeculation deal would not include the 2011 n the grocery trade and the City.
The talks are expected to take

spoke of a merger between the in size, are twice the size of an two chains, there seemed little average international Store.

doubt last night that Interna
However, it was suggested last partner.

ing to acquire the Mac Market If the teke-over goes ahe d supermarket chain from Uni- as planned, Mac Market's e4 the ailing fortunes of Interna-tional Stores, its troubled retail-create the fourth largest multiple grocery reteiler in the

small Mac Fisheries provision

The attraction of the deal for several weeks to complete. International is that Mac Market Although yesterday's statement stores, which average 7,500 sq ft tional would be the dominant night by City analysts and others

A City estimate put the International's real need is for the supermarket and cost of the take-over much larger etakes. eventual cost of the take-over much larger stores than Mac

Market's, as well as acquiring a management team with a successful track record. In the year to the end of December, Mac Markets pro-duced a trading loss of £1.28m on sales of £165m.

In its last financial year, International Stores reported a trading loss of £5.3m on sales of £543m, while this week BAT dis-elosed a half-yearly trading loss of £2.15m for International. International and Mac Market have had several senior management changes over the past few years, culminating, for International, in the resignation

Rolls-Royce: why the company's engines need more public money ...... 24 Politics Today: the plans to expand select many planning systems ...... 21

Hong Kong textiles: moving away from 

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#### Saudi Arabia to rise cuts credit to 30 days gallon

BY JAMES BUXTON

SAUDI ARABIA is halving the period of credit it allows on its oil sales from 60 to 30 days, effective from July 1. The move will slightly increase the effective cost of Sandi crude, temporarily inerease demand for dollars and is likely to encourage other oil producers to follow suit.

Sandi Arabia is understood to have informed its partners in Aramco, the consortium which takes almost 80 per cent of Saudt crude, of the move before the latest Geneva

But North Sea oil prices will rise in line with those of OPEC. Because of this it is thought that OPEC meeting.
With the new average price for Saudi crude more than \$18 per barrel (taking into account the higher priced Berri crude, which accounts the impact on the balance of payments will be relatively in-significant. Britain's imports and exports of oil are nearly in for a small part of Sandt nutbalance-the Nnrih Sca is proput) purchasers of Saudi crude will have to find more than \$4hn extra towards the The impact on UK inflation end of next month, on top of and the economy of the OPEC price rises will be partially offthe similar amount which they would normally have expected set by any appreciation in the value of sterling which might result from Britain's new favoured position in the foreign exchange markets an an oil produced.

to pay. One oil company executive said yesterday that the Sandi move had come as a bad hlow to the Aramco partners, Exxon. Texaco, Mobil and Standard Oil of California. Assuming an interest rate of about 12 per cent a year, each 30 days' credit is worth about 1 per cent of the purchase price of the oil involved.

Other oil producers, which like Sandi Arabia usually allow their customers 60 days credit, are now likely to follow the Saudi example. Earlier this year from unsuccessfully tried to establish a 20 day eredit norm and Nigeria has tried to cut its credit terms.

The Saudi move will make it easier for these and other states to impose shorier credit terms and the African pro-ducers (Nigeria, Llb3a and Algeria) may try to impose even shorter eredit terms than Saodi Arabia in view of their closeness to the European and U.S. market.

Though the move will marginally increase the east of pil it is mainly aimed at the oil companies, According to Petroleum Intelligence Weekly the increased cost per barrel would be roughly equivalent to the entire profit Sandi Arahia is to allow the Aramen partners for produc-ing Saudi cruze under the terms of the 100 per cent Sandi takenver of the consertium, which has yet to come into effect.

# Dollar under pressure

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

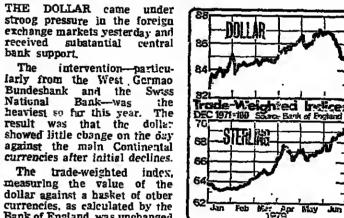
THE DOLLAR came under strong pressure in the foreign exchange markets yesterday and received subatantial central bank support.

in view of their present depleted stocks.

The CBI expressed "grave concern" that the OPEC increases would raise business heaviest so far this year. The content in the concern in the con costs "at a time when trade result was that the doller and industry had been given the showed little change on the day chance to get the country hack on the road to prosperity." against the main Continental currencies after initial declines. The trade-weighted index, It said the rises again under-

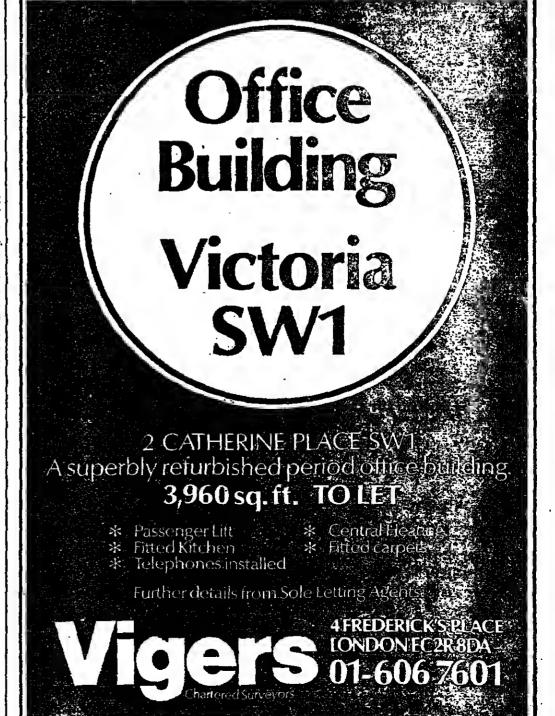
lined the need for "every pos-sible saving in the use of existdollar against a hasket of other ing supplies and the developcurrencies, as calculated by the ment of new energy sources." Bank of England, was unchanged The Chemical Industries' at 85.0. Association described the OPEC The dollar ended unchanged £ in New York against the D-Mark at DM 1.8145. move as "another instalment

and fractionally lower against the Swiss franc at SwFr 1.6550, The Road Haulage Association compared with SwFr 1.6570 presaid operating costs of its memviously. hers would rise between 2 and 4 per cent and would have to he Continued on Back Page Money Markets. Page 30



June 28 Previous

:\$2.1750-1740-\$0,1645-1655 0,72-0.67 dis 0,85-0,60 dis 1,92-1.87 dis : 192-1.87 dis



reference.

# Two-tier structure replaces chaos

which oil producers have escalated their prices in a congame of leapfrug. confusing themselves as Well as tutally of Petroleum has Countries Exporting a two-tier price decided un structure.

No une pretends that it is perfect, but delegates say that at least it is an improvement on the previous disorder. Hopefully the new pricing scheme should last for at least Hopefully, the next quarter, until the end of September.

Basically, it is the same as the one that prevailed in the first half of 1977 after the rift at the OPEC conference in Doha, when Saudi Arabia and he United Arab Emirates limited themselves to an increase of 5 per cent, compared with the 10 per cent insisted upon by the other producers. However, whereas the spllt in 1977 was the result of unprecedented disagreement and caused established this time has emerged out of fairly amicable

compromise. Sheikh Ahmed Zaki Yamani. the Saudi Oil Minister, explained the basis of the new deal. The Kingdom conceded ground by bringing up the price tor its Arabian Light "marker" Venezuela: Santa Ros Venezuela: Oficina venezuela: Tia Juana

AFTER THREE months during for all others, to \$18 per barret from \$14.55, rather than the \$17 that it earlier coosidered to be the maximum desirable for the

world's economic health. But it has emerged that the new Saudi price will be backand that for Qatar's similar producers agreed to set a ceiling of \$23.50 no their differentials calculated on a higher beautiful product of \$28.50 no their differentials calculated on a higher beautiful product of \$28.50 no their differentials calculated on a higher beautiful product of \$28.50 no their differentials calculated on a higher beautiful product of \$21.56 is \$3.56, and that for Qatar's similar Dukhan 40-degree API gravity at \$21.42 is \$3.42.

Sheikh Yamani also claimed that the United Arah Emirates and Qatar would set their prices in line with Saudi Arabia. But the oew levels announced here downwards, according to market their delegations indicate cooditions. that they have pitched them

Algeria: Saharan Blend Equador: Oriente

Gabon Mandji

Libya: Zueitina

Iraq: Basrah heavy Iraq: Kirkup

Nigeria: Brass River Qatar: Dukhan

and

иррег

For instance, the differential,

over and above the Arabian Light "marker" for Abu Dhabi's light, relatively sulphur-

free Murban 39-degree API gravity crude at \$21.56 is \$3.56,

price

THE RISE IN OIL PRICES

Ł	IN OIL	. PRIC	ES	
	4th qtr.	Existing	New	
	1978 price	price	price	% rise
	S	· s	· s	this yea
	14.10	21.00	23.50	67
	12.35	20.25	20.00	61
	12.59	16.00	20.00	58
	11.35	14.80	19.93	76
	12.88	17.28	22.05	71
	12.22	16,40	19.49	59
	13.90	21.31	23.50	69
	74.00	18.62	23.50	68
	13.19	17.84	21.42	62
	73.00	17.65	21.23	63
	13.22	17.87	21.32	61
	12.70	14.54	t8.00	42
	12.32	14.05	17.59	43
	12.01	13.64	17,17	43
	13.26	17.90	21.56	43
	13.17	17.81	2t.46	63
	14.99	18.96	23.50	57
	13.99	17.21	21.85	56

about halfway between the reference is unequivocally \$18 a barrel. Last night, however, there was some confusion among delegates themselves as to what was at the upper end. The official OPEC communique implied that it was \$20. It said: "In an endeavour to bring some stability to the market, the conference decided on the follow-

> 1-Adjust the market crude price from the present levels to U.S.\$18 a barrel.

2-Allow member countries to add to the prices of their crude the maximum market premium of U.S.\$2 a barrel over At the lower tier, the base and above their normal differential, if and when such a market premium was necessitated by market conditions.

3-The maximum prices that can be charged by member countries shall not exceed U.S.\$23.50 a harrel, whether on account of quality and location advaotage or market premia.

Last night, the leader of the Iranian elegation, Mr. Hassan Nazih, said the price for Iran light crude would be between \$2t and \$22. The size of the differential would depend on market conditions. The level for Iran heavy would be between \$19.70 and \$19.90.

Algeria, Libya and Nigeria have all predictably chosen the upper limit for their ultra Light sulphur-free shorthaul crudes.

3.9m barrels a day being maintained, and on Iran applying only the limited surcharges its entitles it to within the newly- rational price differentials

IRAN stands to gain at least agreed spread of \$20-\$23.50 \$1.63bn (£742m) a year io extra covering all OPEC members oil income because of yester-except Saudi Arabla,

Oil analysts here belleve Iran's current exports of 3.17m The estimate is hased on the b/d will be priced at ahout present production level of \$20.70 for the higher quality light crude, and \$20 for beavy. They say higher surcbarges would not be justified if the type of oil and market position OPEC members are to establish

#### U.S. oil industry faces profit dilemma

By David Lascelles in New York

with some emharrassment to

dent Jimmy Carter's proposal

ne nil company official described the rise as a two-

edged swnrd which will add

to revenues but also increase

the popular view of "exorhi-

tant" oil industry earnings.

little impact. Both the slock

and credit markets had dis-

week, and registered little

increase is prohably to make

the U.S. economic recession.

which may have already hegun, slightly more severe.

But the relative moderation showed by Saudi Arabia may

The hest industry guess is that the new prices will add about 5 cents to the domestic price

of a gallon of petrol and home heating oil. The U.S. Govern-ment had previously estim-

aled that this year's oil price

increases would add about 1 per cent to the inflation rate

and knock I per cent off real growth both this year and

product in the current

quarter at a real annual rate,

The halance of payments is also likely to be affected, with

Certainly, OPEC may have con-

tributed to the formation of

more of a political consensus

between the administration.

a year oil import hill.

Congress and the public.

Commerce Department statistics this week projected a fall of 2.4 per cent in gross national

Jurek Martin adds: The immediate impact of the price

further change.

temper this effect.

Elsewhere, OPEC's plans made

for a windfall profits tax.

THE U.S. oil industry reacted

BY JOHN EVANS

THE INTERNATIONAL com- bined current account balance in the transfer of OPEC surplus economic unit in London. harsh reaction in the Arab oil revenues back to the oil. The concern among the pri-world to the Egypt stael peace the OPEC price rise yesteroil revenues back to the oilday, hecause it will increase their profits at a time when Congress is dehation Presi-

agreed by the Organisation of damage their exports. Amex . Petroleum Exporting Countries in Geneva will not, in absolute this danger may be nver-stated, terms, represent such a massive as the U.S. economy shows no shift of resources into the hands definite sign of moving into a of the oil-producing States as in prolonged recession. 1973-74. But the first sharp oil price

a massive legacy of debt among counted a rise to the \$18-20 per barrel level earlier this ments deficits of many oilimporting countries, according to economists.

less developed countries will revenue this year, bringing total fccl the brunt of OPEC revenues to the \$170bn-\$180bn decisions most heavily. The range—compared with \$195bn developing nations face a com- in 1974.

mercial hanking system faces of payments deficit this year of the task of heing the most \$47bn, according to estimates the banks, particularly the important single intermediary yesterday by the Amex Bank American institutions.

brunt of price increase

Developing countries bear || (1)

The new oil pricing structure world economic activity will Bank economists believe that

Nevertheless, the combina-tion of oil prices and an inevitrise earlier this decade has left able world slow-down will probably expand the developed many nations, and will compound the problems of a smooth some \$55bn by 1980, they feel.

The impact on the OPEC nations' balance of payments position this year is atill unlear. Bankers suggest that the Initial calculations among oil producers should enjoy up-international hanks suggest that wards of an extra \$45-\$50bn of

harsh reaction in the Arab consuming nations for the mary producers of commodities agreement may prove to heve second time in five years.

and metals is that slowing reverbations in the monetary field. The recent weakness in the dollar has been linked in part to alleged OPEC sales of dollars. This is a rise from the \$34bn aggregate deficit which these

The ultimate home for sur-

pluses is raising-concern amnng

countries suffered last year, and the \$39bn of deficits in 1975, the previous peak year for payments inbalances.

In Paris, latest estimates from the Organisation of Ecnnomic Cooperation and Development (OECD) indicate that total borrowing on international capital markets is likely to rise around 10 per cent this year to

The OECD added that recent oil price developments will increase current account deficits, which will have to be financed. But it said that estimates are still hazardous.

#### Companies in UK face a double price blow

SHELL OIL UK, Esso and Petrolenni indicated vesterday that, apart from Wednesday's OPEC announcement, they were also being hit

by cartier rises in oil prices. Shell said that Kuwait oil had risen from \$16.40 to \$19.30 a harrel at the start of June, and

It is believed that Esso petral and other oil products may go up by hetween 10p and 12p a gallon, with the OPEC increase accounting for roughly 2p, British Petroleum, which

takes some of its oil from both the price of North Sea oil had also be affected by earlier oil risen in line with this. These price rises as well as by the rises had increased its costs by latest OPEC increases.

#### Iran's earnings to go up by £742m a year

oil income because of yester-day's decisions at the OPEC conference in Geneva.

# Barre says aims are threatened

BY TERRY DODSWORTH IN DAMES

M. RAYMOND BARRE, the in the first four months or the first, which was die to not lead to an unleashing of inflation, he said. The Government's objective of under continuous frade sur-

the price rises adding about year. \$10hn to the current \$5āhn An indication that the the rising cost of oil imports trade figures. These showed that economic policy.

But this would be favourable balance achieved.

The unexpectedly high price prudent level. the favourable balance achieved

main economic targets for this expected. But France still expects to maintain its balance-ofpayments surplus, he said.

country's improving exports M. Barre stressed, bowever, would not be sufficient to absorb that the Government was determined not to be deflected was contained in last month's from the main lines of its

plus bas been totally undermined hy rising oil prices.

He went on to admit that prices will also be pushed over the 10 per cent barrier, destroying another of the Government's costing FFr 18bn more than main economic targets for this expected. But France ctill or flation, he said. The Government intended to maintain a strict control over the money supply and was hoping for a continuation of the present modest trend in wage increases.

He added that the main effect

of the rise in oil prices will be felt next year. For this reason, the anthorities will give a economic activity, following on the tines of the recent package. But this would be kept to a

cannot be seen from the road

or from a small hill nearby. But

#### **EUROPEAN NEWS**

# Fuel crisis strains Soviet links with East Europe

BY LESLIE COLITT IN BERLIN

YESTERDAY'S DISMISSAL of West. Herr Klaus Siehold. East industrial outpot. Germany's Energy Minister fuel supplies which have Siebold's dismissal reflects the developed between the Soviet lensions within Comecon over East Germans are speaking Union and its six East Europeao Soviet oil and natural gas openly of the consequences of

Comecon has ended a threeday summit meeting in Moscow at which the most divisive issue was that of Snviet energy Moscow to step up its annual supplies to Easlern Europe in oil and gas deliveries to make the first half of the 1984s.

Herr Slehold is heing hlamed for last winter's virtual collapse of electricity output exception of Romania, import some 90 per cent of their oil

stations were frozen in open- percentage will remain in which is higher than in the than OPEC oil-and their needs to them.

BY OUR BERLIN CORRESPONDENT

three Western ailies as the most liners.

screous breach to date of the

The six Comecon allies of the Soviet Union have called un up for the sharp rise in OPEC and the resulting fall in industrial production, when brown coal supplies for power stations.

Mittinger. The Russians have are now forced to make up the engineering products it gets told the East Germans and their difference between the 80m from the other Comecon other partners that they will tunnes of Soviet oil they are countries, mainly East Germany have to cut sharply the amount getting this year—now esti-of electricity used to factories, mated to be 40 per cent cheaper for the oil and gas it exports

'Serious breach' of Berlin accord

West Berlin's deputies to the

EAST GERMANY has abolished has voted unanimously to end sentatives, one of the last symbols of four-the appointment of its 66 East Herr Di

power authority in East Berlin Berlin deputies by the East by ending the special status of Berlin City Council. From now

the city's deputies. The move, on the East Berlin deputies to

made with exploit Soviet the Volkskammer are to be approval, is regarded by the directly elected by East Ber-

1971 four-power agreement on Bundestag in Bonn have like-

erlin. wise been appointed until now East Germany's Volkskammer by the Berlin House of Repre-

expanding by buying extra Soviet oil for hard correccy, at prices "as while East European economic high as those on the Rotterdam reflects the severe strains over officials in East Berlin say Herr spot market."

fuel supplies which have Siebold's dismissal reflects the Even the normally compliant

because of shortfalls in pre-sent Soviet oil production. Herr Willi Stopb, the Prime

Minister, told the Comecon conference that East Germany sees the expansion in deliverles of important raw materials and fuels as a central question in co-ordinating placs for 1981 Mr. Alexei Kosygin, the Soviet

Prime Minister, said, however, that Moscow for its part is discast names. His successor has coming years.

coming years.

satisfied with the "technical bern named as Herr Wolfgang The East Europeans, however, level" of the mechanical

Herr Dietrich Stobbe. West

Berlin's mayor, has called for the East German move a "provo-cation against detente." The

West German Government has

East Germany's latest mea-

sure to erase East Berlin's fuur-

power status is thought to nave

been prepared long in advance. The anoouncement, however,

omes as an apparent retaliation against the inclusion earlier this month of three West Ber-lin delegates in the newly elected European Parliament.

also condemned the East Ger-

# May trade. surplus falls

By Jonathan Carr in Bonn

WEST GERMANY'S trade surplus fell again in May and its current account was almost exactly in balance. The result is a much lower surplus on both counts in the first five months than for the same period of 1978.

Figures issued yesterday by the Federal Statistical Office in Wlesbaden show a trade surplus in May of DM 2bn (£503m) compared with DM 3.3hn (£829m) In April and DM 3bn (£754m) in May last year. The current account (after deductions for services and transfer paywas virtually balance after a surplus of DM 500m in April and of no less than DM 1.3bn in May.

The trade surplus for lbe first five months totals DM 13.2hn after DM 15.5hn in the same period of 1978. and the current account surplus likewise is DM 4hn after DM 6.1bn.

In value terms. West German exports have increased this year against January-May 1978 by 12 per cent and its impurts by 16 per cent. In volume terms, exports are np by 9 per cent and imports by 11 per cent.

West Germany can thus point to a trend which helps boost the expurts, and economies, of other trading nations and which thus goes nations and which thus goes some way to answer critics of its persistent trade surpluses. It can also point to a large export of capital this year, in contrast to 1978, although it is nucertain whether this trend is durable.

# W. German | Pakistani 'nuclear expert' found

BY CHRIS SHERWELL IN ISLAMABAD

THE SCIENTIST who allegedly organisation known as ERL: acquired for Pakistan the plans, which stands for Engineering About Qader Khan comes only for a uranium enrichment plant Research Laboratory. a short time after the French he closely involved in Farigary runway of Islamabad's inter-

a nuclear capability. According to reports already day morning and asked to see be the site where Pakistan's Office yesterday for a briefing published in the U.S. and Dr. Abdul Qader Khan I was main enrichment plant is being and told a malicious propaganda Europe, the scientist, Dr. Abdul told he was not available, but doubt the was not available, but built. An official spokesman campaign was being conducted yesterday acknowledged there against Pakistan Technical Works in Amsterdam, of the directors."

When I visited the site where Pakistan's Office yesterday for a briefing but built. An official spokesman campaign was being conducted yesterday acknowledged there against Pakistan's Office yesterday for a briefing but built. An official spokesman campaign was being conducted yesterday acknowledged there against Pakistan's Office yesterday for a briefing built was main enrichment plant is being and told a malicious propaganda.

Technical Works in Amsterdam, of the directors."

The pakistan's Office yesterday for a briefing built. An official spokesman campaign was being conducted yesterday acknowledged there against Pakistan's Office yesterday for a briefing built was main enrichment plant is being and told a malicious propaganda.

Technical Works in Amsterdam, of the directors." when it was a sub-contractor for

Urenco. He is said to have had access to the Almelo plant's plans and ments, and keep an eternal brought them bome to Pakistan vigilance. Like many official after he finished a two-year stint in Amsterdam in 1975. Now he bas been traced to an

**Dutch MPs** 

cautious on

By Charles Batchelor in

nuclear energy

THE DUTCH Parliament yester-

day approved a motion calling for the Government to be

extremely cautious ocer nuclear energy. Mr. Dries Van Agt, the

Prime Minister, faced a stormy

session in the Lower House,

during which be was taken to task for his approval of nuclear

energy at last week's European

Mr. Van Agt was accused of pre-emptiog a public dehate, which is to start later this year

and is expected to continue for

a further two years.
, Dutch MPs took exception to

Mr. Van Agt's compliance with the wording of the final com-munique from the Strasbourg

summit referring to a revival of

ouclear energy and the need for nuclear power to sustain

economic growth.

summit in Strashourg.

for a uranium enrichment plant Research Laboratory.
is now directing work at The laboratory is hidden near is now directing work at Tbe laboratory is hidden near an engineering laboratory in some trees and bebind high Islamabad, which is thought to walls and fences near the main

controversial attempts to acquira national airport.
a nuclear capability. When I visited the site yester-Most of the direction on Kahuta.

offices there urge people to keep secrets, burn uoneeded docubuildings in Pakistan, however, bad, is also thought to be its looks bardly match its

Ambassador to Pakistan and a signs outside restrict entry demand proof of identity and intriguingly, forbid smoking southwest of Islamabad.

Kabuta is widely believed to called into the Pakistan Foreign Ambassador to Pakistan and a First Secretary at the French Embassy wera attacked as they returned from Kahuta, 25 miles southwest of Islamabad.

The disclosure regarding Dr.

A third site, at Sihala, about 12 miles sonthwest of Islamaconnected to the uraninm enrichment project

Military Government's past the gas centrifuge being built Pakistan's uranium enrichment. The French diplomats are assertions that the country's at Almelo. Holland, by the project is believed to emanate thought to bave bean looking at nuclear programme is for peace-Anglo-German Duteb consortium from ERL. Signs inside the the site from the main road, and ful purposes and that work on beaten up as a warning to enrichment is being done only at the research level.

He also insisted that com-ponents bought in Europe, allegedly for the enrichment plant, were not items of which export was forbidden.

#### Surplus of Swiss foreign assets at SwFr 147.2bn

BY JOHN WICKS IN ZURICH

surplus, which compares with land ownership nucbanged at nue put at SwFr 139.1bn for about SwFr 16bn. 1977, is the difference between Swiss assets abroad, valued at some SwFr 360.3bn, and Swiss SwFr 36.4bn to SwFr 42.9bn. foreign liabilities, of about SwFr 213.1bn.

Within the assets total, bank UBS figures as baving from SwFr 123,4bn to SwFr 132.7bn ln 1978, and holdings from

SWITZERLAND LAST year higher. Swiss franc exchange showed a net foreign assets rate, rather than of any net surplus of about SwFr 147.2bn disinvestment—as well as indisinvestment-as well as in-

Official monetary reserves went up over the year from

In the liabilities sector, banks' liabilities rose from SwFr 95.9bn to SwFr 106.5bn in 1978, and assets abroad are given in the the securities figure from UBS figures as baving risen SwFr 68.6bn to SwFr, 73.3bn. Direct investments in Switzer land went up from SwFr 12.2bm to SwFr 12.5bn, and insurance security holdings from to SwFr 12.5bn, and insurance SwFr 112.1bn to SwFr 121.6bn. investments from SwFr 12.7bn
Other assets of the private to SwFr 13.5bn. Private land sector included direct invest—ownership is valued at

#### **Ecevit survives** attempts to unseat him

By Metin Munir in Ankara TURKISH PRIME MINISTER Bulent Ecevit today survived the last attempt by the right wing oppositon parties to force a vote of no confidence before Parlia-ment recessed for four months. (£41.4hn), according to esti- surance investments of ment recessed for four months. mates calculated by Union Bank SwFr 17.5bn compared with His Social Democratic Republiof Switzerland (UBS). This SwFr 16.5bn in 1977, and private can People's Party once again beycotted the session.

But Mr. Suleyman Demirel, the right-wing main opposition leader, vowed to bring back Parleader, vowed to bring blazer ses-liament to an extraordinary sesminute this government steps into this Parliament it will fall," he said.

Our Athens Correspondent adds: The Greek Parliament yesterday ratified Greece's Treaty of Accession to the EEC, after a four-day debate, which was boycotted by the Socialist and Communist sector included direct invest- ownership is valued at Socialist and Communist ments down from SwFr 45.4bn SwFr 7.3bn for last year, comparties. Of the 196 MPs present, to SwFr 44bn—a result of the pared with SwFr 6.9bn for 1977.

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# Italians return Baffi's passport

DR. PAOLO BAFFI, goveroor the magistrates leading in of the Bank of Italy, has been quiries into the allegedly given back his passport, confiscated a week ago by magistrates investigating the affairs of the troubled Societa Italiana Resine (SIR) chemical group. Dr. Baffi will thus be able to

attend the important Basie monthly meeting of central bank governors on July 9 and 10, which it bad been feared be would have been forced to miss. The move also may bave averted the threat of a precipitate resignation by Dr. Baffi, who bas already announced bis intention of stepping down by the end of

The latter possibility was helng played down yesterday. However, Dr. Baffi has not concealed the personal hurt the SIR affair has caused him.

Indeed, it bas been reported here that a preliminary request by his lawyer to have the document back was turned down by

quiries into the allegedly irregular appropriations of puhlic funds for SIR. Its return was only secured, according to Bank of Italy officials last night. by a direct request to the government authorities.

The SIR affair blew up in March, when Dr. Baffi, and Sig. Mario Sarcinelli, a joint deputy director geoeral at the central bank, were charged with withholding evidence in connection with SIR. In May, more serious charges were brought, of mis-directing public funds. They have firmly denied all the

The release of the passport has not dispelled the widespread anxiety and iodignation created by the SIR/Bank of Italy affair. Pressure is mouoting for the judicial inquiries to be speeded up, in the interest of the reputation of one of Italy's most respected institu-



# Auditors criticise Paris Opera

BY TERRY DODSWORTH IN PARIS

EACH SEAT at the Paris Opera of immigrant housing, and the handing out concessions to cost the French taxpayer Paris Opera.
FFrs 360 (£39) in 1977, while Discussion some of the workmen in the building have been known to claim for 221 hours of overtime work a month.

of public expenditure to be drawn from this year's report of the French Cour des Comptes, the iodependent National Auditing Authority, whose annual account of the less-celebrated aspects of French administration sends a frisson through the corridors of power. The auditors' targets can he

virtually anything to the public domain — hospitals, local authorities, universities, re-search establishmeots or the nationalised forestry industry. This year they have been par-

Discussing the opera accounts, the report shows that expendi-

ture has tripled in less than 10 years, mounting from FFr 50m in 1969 to FFr 150m (£16.3m) This is one piquant example in 1978, with the State contribution rising from FFr 41m to FFr 117m.

Personnel costs bave risen the fastest, with many artistes being paid through companies "more or less fictitious" in countries well known as tax havens. . .

The report is critical of the way some local authorities run their parking concessions. Contracts are frequently insufficiently researched, it says, needs new capital and, above all, while agreements are not put a redefinition of objectives. out to tender, often last for an excessively long time, without

private organisations has helped France to catch up on the construction backlog. But it adds that some com-

panies are earning excessive

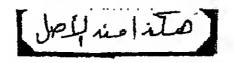
profits while taking little risk. and it recommends an overhaul of financing procedures. The report bas also highlighted the financial problems faced by Sonacotra, the official

organisation for housing immi-grant workers, which has been running up hig losses (FFr 48m) in 1976), and which as recently been hit by rent strikes). It underlines the discrepancy between rents and expenditure, and indicates that the company

This year they have been par excessively long time, without ticularly severe on the methods of running motorway and parking concessions, the financing recognises that the policy of cantes.

| This year they have been par excessively long time, without ticularly severe on the methods safeguard clauses.

| This year they have been par excessively long time, without ticularly severe on the methods of running motorway and parking ticularly severe of the methods of running motorway and parking ticularly severe of the methods of running motorway and parking ticularly severe of the methods of the meth



# Europe's electricity pool keeps the power flowing

ELECTRICITY which toest for hreakfast in tels or Paris this morning teory at least could have from as far afield as e. Europe's electricity supsystem is inter-connected ties and knots entwining al of 24 countries, so that lit-second notice a utility ouble can count on help its neighbours to keep the

**NERGY REVIEW** 

r flowing. tain, weakly tied into this al aid scheme at present gh a small (and unreli-cable to France, has plans much stronger inter-con-on by the early 1980s. It then begin to enjoy the advantages of heing part buge electricity machine antly swapping electricity fitable but duty-free.

East Europe, the Comecon ries, hasily constructing own electrical power elso see advantages in gthening their present ties with West Europe. scale of the European

market" in electricity. of the electricity producers tious plans for the pext ears, were disclosed at the EDE congress in Warsaw er this month. The 24 per-states of the Internal Union of Producers Distributors of Electrical gy, representing all West ean countries together Hungary and Poland from lomecon bloc, discussed a t summarising Europe's progress in managing nal electricity industries nutual security of supply

rope today has 130 cables en countries capable of ing about 55,000 mega-This represents about 12 ent of the total generating ity of these countries. equivalent to the total eting capacity of the al Electricity Generating which supplies England Wales. But Europe has cts agreed which will id the capacity of its connections by 40 per cent ne mid-1980s.

ins are under discussion ld another 20 per cent to capacity. That would hring "apacity for transfers across ers to 90,000 MW. Provided continent as a whole connext decade. Some of the latest proposals, however, raise ticklish diplometic as well as

technical questions. The system at present provides for much more than emergencies. Energy conservation was the original motive. Producers with hig hydroelectric plants in central Enrope wanted to pre-vent "spillage" when their reservoirs were full, hy selling electricity to neighbouring nations, instead of letting water run off unused. In 1958 the electricity networks of France. West Germany and Switzerland were linked experimentally. soon to he joined by Italy. From bilateral agreements the scheme developed rapidly to 13 countries interconnected by a homogenous 400-kilovolt electricity transmission system striding on its 24 metre towers across frontiers throughout western Europe.

#### Breakdown

Today these countries are internationally more than 5 per cent of the elec-tricity they generate. Spillage bas been almost eliminated. A crisis can hring split-second support from a neighbouring country. If the breakdown seems likely to persist-say, the unplanned loss of the output of a hig generator—a phone call hetween utilities will guarantee further support. When Electricite de France suffered a major collapse of its system recently, utilities in Spain and West Germany helped it to begin delivering power again. generating capacity.

surplua electricity at the margin. It takes advantage of small differences in the times of neak demand between neighhouring nations, and differences in the type of generating plant. The benefits of being part of this mighty electricity machine differ from nation to nation. But Mr. Maurice Dwek of the CEGB distinguished five henefits in his report in Warsaw. They are:

1. Savings in investment in generating plant or other means is to huild enough power for securing the electricity to the risk of a major supply. (One country reported kdown in electricity sup- that it worked on the assump-: enywhere in Europe will tion that 10 per cent of its peak unily recede during the demand could be bought from



The Soviet Union announced on Wednesday it is planning to link its power grid with the West German one, with a line running through Poland, West Berlin and East Germany. The announcement has In addition, longer term deals Poland, west Bernn and East Germany. The authouncement has are struck when utilities fore-see a surplus or deficit of focused attention on Europe's electricity supply system, which now Superimposed upon all this has 130 international cables connecting 24 countries. Britain is tied emergency activity there is a spot market profitably selling only weakly to this "mutual aid" system, but it also has plans to develop stronger links by the 1980s.

> 2. All-year-round economic henefits from electricity trading the result of differences in marginal operating costs. 3. Back-up in case of a hreakdown of a higger individual unit cable on the hed of the English Britain and France are likely to than utilities might otherwise he Channel. It proved valuable to give final financial approval to willing to build. Support for a country which

finds its new plant slipping behind schedule.
5. Reduction of operating margins and requirements for "spinning reserves" (that is, rapidly overtaken by the growth generators kept ticking over,

ready at a moment's notice to put out power).
Britain, on the western periphery of this power pact, has neen plugged in since 1961 through a 160 MW submarine Britain in the severe winter of 1962-63, when the grid was badly affected by icing. But since then it has been very vulnerable to damage by trawlers and ships' anchors, and has also heen

Later this year, subject to the results of public inquiries on each side of the Channel into the siting of the terminal stations, the governments of Britain and France are likely to a scheme for a new 2,000 MW interconnection. When com-pleted, in 1984, it will join a British grid of ahout 80,000 MW of generating capacity, just over 50 per cent of which will be coalfired, with a French grid of about 75,000 MW of capacity, site direction.

over 50 per cent of which will By then Britain, although it will have only 10 per cent of its capacity in nuclear plant, expects to be getting 20 per cent or more of its electricity from this source. It will trade overfired electrical capacity with France—"coal-by-wire," as the practice is called. France in turn will trade some of its modern oil-fired electrical capacity hy day. Each will keep in its own nuclear electricity, which has

the lowest generating costs. The economic case for the project—expected to cost upwards of £250m (March 1978 prices) goes well beyond the provision of emergency services. The link is expected to he constantly in use, taking advantage of differences in the times of the two peaks in power demand each day. It will also save oil for

Norway and Denmark claim they have demonstrated the economic case for such a con-nection, with their 500 MW submarine cable in service since 1976. It exchanges Norway's hydroelectric surplus for off-peek coal- and oil-fired electricity from Denmark, which Norway can use to recharge its pumped storage plants overnight. According to Mr. E. L. Jacob-

son, managing director of the Danish utility, Elsam, the connection has already repaid its capital investment. It has strengthened Denmark's role as a "cross-roads" for elelctricity transfers hetween Scandinavia and central Europe, which in turn has given Denmark a more robust grid of its own.

#### Power pool

Britain and France plan to manage their cable in a way which will give each the advantage virtually of an additional 2,000 MW of capacity, for less than half the investment of one unit. But in order to achieve the very high load factor this implies, the connection itself must be very robust. Hence it is to he huried about 1.5 metres deep in the (often rocky) bed of the channel. Experiments are starting this summer to find a way of emhedding the four 500 MW cables, Developments are already well edvanced which will allow the two utilities to flip at a moment's notice from 2,000 MW travelling in the oppo-

proposed a North Sea cable, to help secure its electricity sup-ply against the growing prob-lems of finding sites in a small, crowded country. For Britain,

The Irish have also proposed such a connection across the Irish Sea. Thwarted repeatedly hy IRA hombs from any hope the Electricity Supply Board's director of generation and transmission, it is so important to pay the whole cost of a

He wants e start to be made in the mid-1980s, taking full advantage of the experience gained with the Anglo-French link. And he points out that since Irish industry has no experience in this field, the husiness would anyway go straight to Britain.

#### Terrorists

For the CEGB itself, there is no obvious advantage from a link with a small utility whose power—25 per cent of it from small peat-fired plant - is expensive and in short supply. Moreover there will always be a risk that terrorists will turn their attention to the connection. The proposal, in turn, has prompted Northern Ireland to ask for a submarine cable to Scotland to export some of its oil-fired power (and perhaps import some nuclear power).

This would raise the possi-Both of these schemes await decisiona from the British Government.

In eastern Europe there is another power pool which wants to strengthen its electrical ties with western Europe, of Western Europe,

These technical developments. The Comecon countries are have begun to arouse interest in planning to expand their own other countries. Belgium has electrical network in unison, with a common pool for the manufacture of nuclear plant as supply. Five already have interthe advantage would he that Soviet Union with Finland; through Belgium it would he Czechoslavakia with Austria interconnected with the hig (which also plans to purchase electricity grid of West Germany. This would also establish a loop back through France, vakia); Bulgaria and Romania tying Britain very tightly into with Yugoslavia; and Hungary the power pool of control with beautiful and tying Britain very tightly into with Yugoslavia; and Hungary the power pool of central with hoth Austria and

Mr. Imre Benko. head of Hungary's office for power station and network design, argues that there should he of taking advantage of the large more study of the advantages surplus of generating capacity of east-west interconnection. sbortly to become available in His country, he says, is ready Northern Ireland, they have turned to the CEGB for help. 750-kilovolt ultra-high voltage According to Mr. Sean Tinney, transmission connection with Electricity Supply Ready the Electricity Supply Ready to the Electricity Supply R the Soviet Union, commissioned

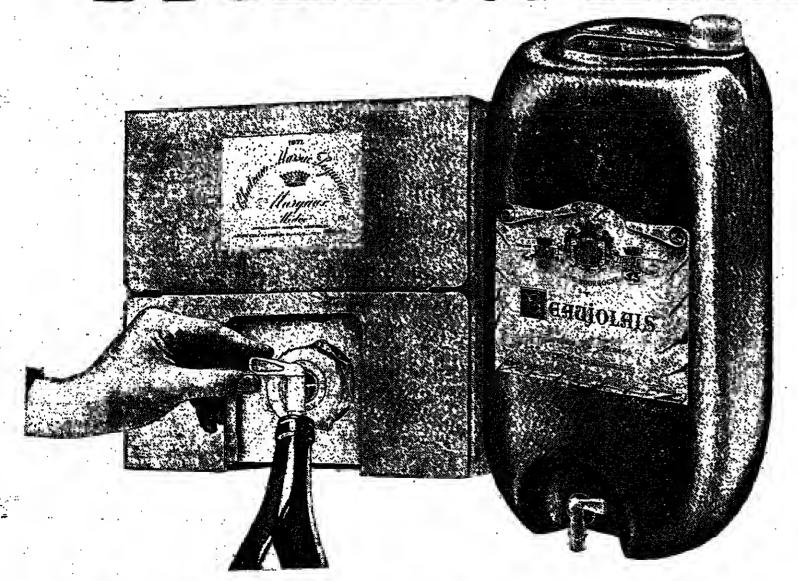
only in February. for his utility to have extra ultra-high voltage systems with power to match a high rate of their spectacular 20 ft flashgrowth in the economy, and overs are an exciting prospect hack-up for the 600 MW nuclear as they contemplate the plant it proposes to blild at cheapest way of moving Carnsore Point, that it is willing electricity over distances of upwards of 1,000 miles. But the submarine cable from Wales. capital cost and the complications of controlling an interconnected grid working at three voltage levels—220, 440 and 750 kV—has cooled the enthusiasm of most European countries.

Britain, France and West Germany have all concluded that their own systems could expand about four-fold in installed capacity before they need to think of ultra-high voltage, so that any decision can safely be put off for another ten years.

The UNIPEDE Congress in Warsaw also made plain that the West was well satisfied with its present highly informal and decentralised system of controlling the grid. The Come-con countries have a more centralised system managed from Prague.

For the present, therefore, the opportunities for close elec-trical ties between East and West do not seem too hopeful. bility of its surplus power For at least two "frontier' finding its way to Duhlin via nations this raises delicate Scotland, England and Wales, diplomatic problems. Both diplomatic problems. Both Creece and Yugoslavia need the advantage of close ties with a large power pool. They must soon decide whether to make

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#### AFTER THE MIDDLE EAST AIR BATTLE . . .

#### Syria hangs 15 accused of Moslem terrorism

By Rnger Matthews

SYRLAN authorities executed 15 men accused of oeing Moslem extremists at dawn yesterday in the first really tough official response to the wave of murders throughout the country since February.

The death sentences were carried out 12 days after the massacre of army cadets at a military academy in Aleppo and nnly hours after the air hattle fought by Syrian and Israeli jets over southero Lebanon.

Syriao pilots interviewed on television claimed to have shot down two U.S. supplied F-15 war planes in Wednesday's clash and lost four of their own 311G-21 zircraft.

The Syrian air force has now been placed on full alert and observers are anxiously waiting to see whether Wednesday's hattle was an isolated incident or whether it heralds a new and dangerous phase in the Syrian condict with Israel.

thethe American note of protest over the use of the advanced F-15 aircraft for non-defensive parposes it might be reasoned

At the same time it could make Egypt's "alliance" with Israel and its isolation from the rest of the Arah world still ever, he has suffered two more acute.

yesterday were all alleged to be the military. First, on June 16 members of the extremist over 80 military cadets who slamic sect the Moslem were being instructed in the Brotherhood. They are said to have participated in a number of killings earlier this year. Since the Aleppo massacre, in on a military academy in the which over 80 military cadets northern town of Aleppo, not were killed or wounded, nearly 200 members of the Moslem Brotherhood have been arrested four or five Syrian MiG 21 jet and are awaiting trial before

in the Aleopo killings. It can was a sharp and bitter reminder therefore be expected that of the extent to which President further executions will follow Assad is stretched militarily, in the coming weeks.

to cause sectarian strife within the country.

hond are claimed to bave been world sotashed in the latest round up. But the authorities do not rule

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# Israel is unrepentant

BY ANTHONY McDERMOTT IN JERUSALEM

Wednesday in which fiva Syrian MiG fighters were shot down. Officials and most newspapers alike reject any parallels between that incident and two previous doglights in which Syria jost several aircraft, and which beralded the 1967 and 1973 Middle East wars, on the grounds that the contexts are completely different.

The Jerusalem Post today said: 'In 1967 Syria was anxious to induce Nasser to make war. And, prodded by Moscow, Nasser took the bait. In September 1973, on the other hand, Egypt and Syria had already decided to make war. Today the situation is more

the dogfight was defensive. The Israalis maintain, too, that President Assad, because of his domestic troubles, provoked the incideot in an effort to unite the divided Syrians against Israel, the old foe.

At the beart of the problem is the fighting in south Lebanon between the Christian militias, which Israel actively supports. and the Moslem and Palestinian forces. This has spilled over into rocket attacks on settlements in northern Israel. In addition, Palestinian guerrilla raida elsewbere in Israel have been atepped up. Wednesday's air rald by

operation over Lebanon - in Remarks hy Syrian pilots on Syrian television that they were ordered to attack the the April 22 Palestinian aea

the air Battle over Lebanon on evidence that Isrsel's role in Israelis were killed. Israel also For some weeks now Syrian airresents the presence of 26,000 craft have been going up in Syrian troops in Lebanon as response to Israeli attacks, hut the peace-keeping Arab deter- until Wednesday, had always reot force, maintaining that its kept at a respectable distance, main role is to give assistance to the Palestinians and Moslem left-wing forces.

> a suspicion that Wednesday's teaching Syria a lesson, Firstly. Syria is well aware that its air

ISRAEL is unrepentant over Israeli planes are cited as attack on Nahariya, when four voke the Syrians to respond.

The view here is that Wednes-day's clash will not affect negotiations with Egypt and that, if necessary, the same tactics could However, there is more than he used again. But the U.S. is operation was in part aimed at unhappy at the use of F-15s across the horder in an attack-Syria is well aware that its air ing role. Furthermore, it is force is no match for Israel's Israel's practice to vary the especially when not integrated with its sophisticated missile defence system, as in Syria proper. In addition, there have been reports that the U.S. likely that Israel will attempt has repeatedly raised the matter. Israeli aircraft was the eleventh of a possible Israeli-Syrian coo- open retaliation in Lehanon frontation, warning that selecting targets only one or two kilometres from Syrian bases Minister, meet early next month was bound at some stage to pro-

ROGER MATTHEWS, in Damascus, examines the pressures on Syria

# Assad's delicate balance of power

actions which might be con-strued as a threat to his regime. Might be considered in more in a country that during its militant circles as a sign of wedge between Israel and the dent state has been notoriously U.S. hy continuing its aerial prone to coups. This character-patrols over Lebanon with the consequent risks of further Assad's acute understanding of clashes. power and the means of maintaining it, has played a major

ssaults on what has to be, in The men who were executed the last analysis the essential et the central jail in Damascus foundation of his authority and are awaiting trial hefore fighters were ahot down in a the supreme State security dogsight with Israeli planes over court.

Mr. Ahmad Iskandar, Syria's The Aleppo massacre appears Information Minister, has to have been an attempt to claimed that the majority of whip up sectarian strife within the 200 were directly implicated Syria, while the Israeli action was a sharp and bitter reminder and the lack of options open to

Although the authorities deny that the majority of those who died in Aleppo were memhers of the minority Alawite sect to which President Hafez al-Assad belongs, they do admit that the killers may have been trying to cause sectatian strife within conflict, it cannot have a serithe four or five different pursues a policy independently factions of the Moslem Brother- from the rest of the Arab

Although never a flamboyant



President Anwar Sadat

sion of a dynamic foreign policy, while with the economy almost stagnating at home and suffering a continuous military drain, there bas perhaps grown up a more fertile base for

during a ninterview this week view of the regime, the be was being asked for the

President Assad is also an Alawite, and there is ample evidence that during the past two decades this sect, once held in some contempt, especially by the wealthier members of the orthodox Sunni Moslem majority, has advanced tremendously in both economic and political terms. This is graphically illustrated in a members ally illustrated in a new book The struggle for power in Syria" hy Nikolas Van Dam (Croom Helm Limited) a memher of the Dutch Ministry of Foreign Affairs. While President Assad has

certainly attempted to strike a delicate halance hetween different factions and to base his offerent factions and to base his power as brodly as posible—there are only two Alawite members of the 32-member government—this bas not prevented resentment building up among Sunnis in both commencial and military life. While mercial and military life. While many bigh profile jobs heve gone to the Sunnis, the actual purse strings and the command of key military bases remain firmly in the hands of Alawites. The all-powerful Regional Command of the ruling Baath Party is dominated by Alawites.

Thus, when the fanatical Islamic Sect, the Moslem Brotherhood which regards Alawites as heretics, is hlamed for the massacre at Aleppo, and up a more fertile base for the impression gains ground tally much more hazardous.

Of all the taboo subjects in Syria, the most sensitive is that might be supposed that an tive reaction to the recent killof ethnic and religious sectari- attempt was being made to proanism. Mr. Ahmed Iskandar, the voke the most dangerous sort firmly in cootrol of the situa-Minister of Information, claimed of strife. This is certainly that tion. It is the sort of tightrope

Western diplomats stress used to walking, hut there are first time by a journalist, or that the country's overall those who believe that the cursonashed in the latest round up. Although never a flamboyant indeed anyone else, which of security apparatus remains rent pressures a But the authorities do not rule political leader in the style of Syria's many sects he came firmly in the hands of President for him to ma out attempts at further murders. President Sadat, this narrowing from. Mr. lakandar is an Assad, however, and there can tional balance.

the Presideot's younger brother and thus also an Alamite.

Unless Israel is restrained by the United States it appears determined to humiliate the Syrian military both by its aerial dominance over Lebanon and by its bombardment of Palestinians. It is probable that Israel consciously assessed that Syrian pride would eventually provide the opportunity that came on Wednesday, and full advantage was taken of it. Meanwhile at home President

Assad again has to Impress on his military and security commanders the need for restraint, and for a continued presence in Lebanon. Neither role is appealing to the military, and both cause difficulties for the regime. Yet the alteroatives are no more attractive and potenings, while still appearing

that President Assad is well

In addition, a 21 per cent

wealth tax on other Items.

of possibilities. When combined Alawite, a Sbiite Moalem sect be no doubting the loyalty of with Israel. Syria's President Hafez al-Assad with the Syrian commitment of representing about 11 per cent the man who, with a crack diviwith Israel having rejected has been his refusal to act nearly 30,000 troops to of the Syrian population and slon of 20,000 men, is charged
help American note of protest precipitously in response to Lebanon, has forced on Mr. coming principally from the with ensuring the continuation with ensuring the continuation of the regime—Rifaat Al-Assad,

> The general Middle East situation and the possibility that Syria could be drawn, albeit reluctantly, ioto another war with Israel is the Issue of greatest current concern. Syria would be certain to lose disastrously any war with Israel. Wednesday's air battle over southern Lebanon between Syria's aging Soviet MiG-21s and Israel's faster and hetter armed U.S.-bullt F-15s shows just how hopeless any wider military conflict would be from Damascus' point of view.

> > says.
> >
> > That in turn could he expected to produce a slackening in the

generating industry.
In 1978 nuclear power increased its total contribution to

being maintained in 1979.

# Japanese growth may slow next year'

By Charles Smith, Far East Editor, in Tokyo

APAN'S economic growth rate, which could approach 6 per cent in the current fiscal year, is likely to slow sharply in. 1980, according to staff members of the highly reputed Japan Economic Research Centre (JERC).

The shift to a slower growth rate next year appears inevitable for two reasons.

One is that rising domestic inflation may prompt more stringent credit policies on the part of the government. The second and potentially more serious factor is a squeeze on Japan's oil imports. JERC's 1979 economic forecast

is that the economy will grow by 5.9 per cent in real terms in the 12 months up to March 31 next year.

This is based on what is admitted to he the slightly optimistic assumption that oil imports during the year will ease by about 3 per cent over last year's levels and that consumption of oil will rise 4.5. per cent reflecting e marginal run-down of stockpiles.

The centre does not think that

it will be possible for oil con-sumption in 1980 to grow by more than 1.5 per cent at the outside; hence its belief that overall economic growth will have to slow substantially. ERC says it does not expect

any serious consequences for Japan immediately as a result of slower growth, although these could follow in future. Japan's current account surplus, which is not expected to exceed \$2bn in 1979, could risa to just under \$5bn next year, according to the forecast.

This would atill be e low level compared with the surpluses

of \$14bo and \$12bn registered in the fiscal years 1977 and However, JERC sees relatively

rapid deterioration in the Japanese trade imbalances with the U.S. and Europe, Japanese demand for consumer goods, which has been rising sharply in the past few months, could level off later this year, the organisation

rate of increase in manufactured goods imports.

The centre points out that the relationship between the increases or decreases in Japan'a oil imports and the behaviour of the economy has finctuated sharply in the past few years, in part because of changes in the nuclear power

Japan's energy consumption by 2 per cent, but this reflecte exceptionally high operating levels at the country's nuclear power stations, which are not Nuclear power may make a smaller, or at best unchanged

rent pressures may be too great contribution to total energy for him to maintain hia tradiconsumption this year, says

U.S. may

# 'No nonsense' approach by Mrs. Thatcher

BY REGINALD DALE

MRS MARGARET THATCHER ments must not be used as an has adopted a brisk, no-nonsense approach at her that when the time for a deci-first venture in world aconomic sion comes, it must be squarely: summetary. taken. We must face facts, has been one of her main themes.

dressed, just right for a funeral here. according to one participant, she has been sternly urging tha other Western leaders to cut the cackle and not let the Tokyo meeting relapse into plalitudes. The message from Tokyo must be in the simplest possible language and not give the im-

pression that the West can take pression that the West can take steps to solve the energy crisis that are manifestly impossible, she told yesterday's opening session of the aummit.

Her view is that by holding summit meetings, the seven Westero leaders are implying that they can offer leadership and must therefore clearly provide it

provide it.

provide it.

After a first meeting with President Carter on Wednesday, described as "warm and congenia," Mrs. Thatcher has heen letting it be known that she has no wisb to pillory President Carter for the deficiencies of Carter for the deficiencies of his energy policy—even if privately, the British view is that American energy-saving is the key to unlocking the crisia. No "guzzling" jibes like those recently emanating from President Giscard of France have come from Mrs. Thatcher. She has clearly got on well with Mr. Roy Jenkins, President of the EEC Commission.

of the EEC Commission, a former political opponent, who was gratified by the support she gave to his analysis of the world conomic scene yesterday.

They found themselves in close agreement on the need to prevent wages in Western countries rising to absorb oil

price increases.
The joint message was that everyone will have to accept a

lower standard of living in the energy-starved world of the future.
Mrs. Thatcher the scientist,

has also heen inevidence. She admires the boldness of President Giscard's policy of pushing firmly ahead with nuclear energy in France and would like to do the same in Britain.

industrial and agricultural efficiency to allow for some growth even in straitened circumstances, she helieves. She dismisses arguments that the UK is much better og than others hecause of North Sea oil. The UK's interests, she said yesterday, ware closely indentified with those-of all the major oil-consuming nations.
The Prime Minister believes

she has an important role to

taken. We must face facts, has ...

The response to the energy

crisis must lie in improved



play as a catalyst at such summit meetings.

It is too early to make a final judgment, but a catalyst

was clearly lacking at yesterday morning's session on the world economy, which was described as "soporific" by one official. The weakness of Japanese

chairmanship was evident again in the afternoon session, which also apparently almost totally petered out at one stage, when people started getting up and walking round tha room. Still, that is not Mrs.

Thatcher's fault - and some other European dalegations were actually expressing grati-fication last night that she was seeking to intervene in the firmly ahead with nuclear formal sessions less frequently energy in France and would than during last week's EEC like to do the same in Britain.

She feels that ecological argu-

# Carter to double refugee admissions

BY RICHARD C. HANSON IN TOKYO

PRESIDENT CARTER yesterday committed the U.S. to doubling its quota for resettling the refugees pouring out of Indochlna. while reiterating strong criticism of Vietnam for allowing the crisis to develop. The U.S. announcement came

after the seven-nation summit adopted a statement calling for an immediate and major response" to the plight of tha refugees and an end to the "disorderly ontflow." The UN was urged to convene a conference which will most likely take place in Geneva in the third week of July.

All the heads of State and Government attending the Tokyo summit agreed to increase their contributions to Indochinese refugee relief and resettlement. But the U.S. toak the lead in announcing specific plans, apparently aimed at "inspiring" others to action.

U.S. Administration officials said America would increase the quota for resettlemnt from the present 7,000 refugees a month to 14,000 as soon as is feasible. The increase will last for a year, during which an estimated \$150m will have to be spent

budgeted by Congress. The refugee question will be taken up for further discussion this Sunday when the Foreign Ministers of the five ASEAN nations. Japan. New Zealand, Australia and the US Australia and the U.S. meet in

above the \$250m now being

It is not known just how enthusiastic the response of other nations will be to President Carter's willingness to accept more refugees. The arrival of the boat people

in Malaysia, Thailand and Hong Kong - the three major made before next Monday.



problems for those countries. The U.S. move is in part aimed at reassuring those States that others will abara the burdeo, thus preventing further turning away of desperate refugees seeking to

Secretary-General last night deferred an announcement about convening an international conference on the Indo-China refugee problem, after confer ring with Vietnamese and Chinese diplomats.

He had been due to issue invitations today to between 70 and 80 governments to send Cabinet-level delegates to a twoday Geneva meeting.
No announcement will now be

The Annual General Meeting of Manurhin held on June 12, 1979 under the Chairmanship of Mr. Paul Spengler approved the Accounts for the 1978 Financial Year. Resolutions proposed

turnover made by the Company in 1978 showed an increase of 14.15% over the preceding year, totalling Frs. 728.319,000 against Frs. 638,018,000, with exports representing 60.10%. Net profits after tax amounted to Fre. 20,822,000 against

financial expenses, tax and provisions on clients' accounts.

The Group's turnover totalled Frs. 1,234,480,000, an increase

#### Threat to Lusaka conference

by Rhodesian security forces the Zipra guerrillas led by Mr. Conference ln the Zamhian capital.

could he useful in forcing Thatcher's hand, particularly if danger to life is implied." A spnkesman for Rhudesian

terms of intelligence gather-

vise its military strategy now that the Rhodesians know its

By Tony Hawkins in Salisbury DOCUMENTS captured in this week's raid on Lusaka show that Justica Nkomo are planning to disrupt next month's Common-

One document shown to newsmen here yesterday suggested that delegates' lives might be in danger as a result of attempts hy Zipra to force Britain not to recognise Zimbahwe Rhodesia. The document, stamped "most secret" reads: "Demonstrationa by our cadres at the conference

Combined Operations admitted that it was not clear whether the wording implied a threat to the lives of delegates as a whole or to Mrs. Thatcher in particu-The documents showed also that the guerrillas planned to sabotage any talks between Bishop Abel Muzorewa and President Kenneth Kaunda of

Zimbabwe Rbodesia troops launched air and ground attacks agalosi Zipra targets in and near the Zambian town of Lusaka nn Tuesday morning. One of the targets attacked was a Zipra inteligence headquar-ters, codenamed "the vitican" and a military official said yes-terday that it had been "the most valuable raid ever made in

ing." Lusaka reports suggest that the raid was a flop. Troops ferried back between 500 and 600 lbs of documents in an actinn which, the military aaid, might well force Zipra to re-

Piles of documents were on display at yesterday's briefing. though the most valuable ones were apparently being kept secret. A military official quoted from one of the documents which claimed that there was a nessibility of a compro-mise dea' hotween President

#### Pakistan budget deficit soars BY CHRIS SHERWELL IN ISLAMABAD

THE PAKISTAN Government has projected a budget deficit for the coming year of Rs 11.1hn (about £600m). up more than 57 per cent on last year's record Rs 7.05bn
—itself three-and-a-half times more than expected.

Government expenditures are projected to rise a "modest" 12.6 per cent in the coming year to Rs 5.2hn, hut resources will increase only 4.6 per cent to just over Rs 4.1bn, with the share of external resources declining to below 20 per cent of the

Instead of increasing taxes

heavily, Mr. Ghulam Isbeque Khan, Finance Minister, appears to have gone for leniency. Only people earning mnre than Rs 60,000 a year face a bigher tax llability, and those earning less than Rs 20,000—the majority of taxpayers - bave received marginal relief.

Petroleum product prices have been increased hetween 5 and 10 per cent, and duties are higher on natural gas and imported cars. The price of vegetable oll has been raised, and power, rail and postal charges bave been increased,

on urban preperty. This will accompany the religious wealth tax n nother items. Estate duty has been abolished, but duties have heen imposed on previously duty-free items brought home by Pakistanis returning from

> To encourage industry, duties have been cut on impurts of raw materials and components for capital gnods. A new income tax law has been promulgated to allow

# Nkomo, Mugabe in unity talks

BY MICHAEL HOLMAN IN LUSAKA

MR. JOSHUA Nkomo and Mr. Salaam early in April. Robert Mugabe, the Rhodesian guerrilla leaders, opened talks in carried a frank acknowledg.

Maputo. Mozambique, yesterday, in the latest of a series of meetthat "real unity has remained lngs aimed at creating genuine elusive" and this had "adversely unity between their two organisations — the Zimhabwe African Peoples Union (ZAPU) and the Zimbabwe African Nation Union (ZANU).

loose alliance, the patriotic front in 1976, but little real progress has been made towards favoured ZANU. political and military integra-Observers here view the present talks with considerable scepticism. It is rare to find a proposals. They put forward a closer to joining together nationalist official who does not

ZAPU and ZANU formed a

privately express pessimism about unity efforts. Talks this year were given impetus by the Rhodesian internal agreement and subsequent elections in March, and the need to convince members of the Organisation of African Unity (OAU), due to meet in Liberia next month, that the nften-pro-

fessed unity was more than a The Soviet Union, Cuba and the Front Line states have heguerrilla movement. Against thia Herstigte National Party. hackground, the two nationalist

The document that emerged affected the conduct of the

struggle. Sceptics were proved right. The organisational structure proposed for real unity was subsementh, another round of talks quently rejected by ZAPU, who took place in Dar-es-Salaam, among other objections, argued that the allocation of posts establishment of the joint mili-

favoured ZANU.

The parties met again in So far, no evidence is availAddis Ababa. Ethiopia, from able that for all the com-

Minister, has emerged as a member of a dissident Afrikaner group calling itself the Action

joint executive committee—the policy-making body—and a co-ordinating council with equal representation on both of ZAPU and ZANU. The same principle applied to the eight-member Defence Coun-

cil and the Joint Operational Command. At the beginning of this apparently concentrating on the

May 10-12, and with some fan muniques and Press conferences, fare produced yet enother set of the two organisations are any

# Mulder aims at comeback

BY JOHN STEWART IN CAPE TOWN DR. CONNIE MULDER, former he refused to accept party pro-South African Information posals for a new constitutional

Froot for National Priorities. The group bopes to form a new political party with an ideological position to the Right come increasingly concerned by of the ruling National Party, the continuing split in the but Left of the Right-wing The group also includes two

dispensation, and Mr. Sarel Reinecke. Dr. Mulder, disgraced by his

role in the Government scandal

which has left a trail of destruction in the National Party leadership, concedes that the odds ara heavily stacked against the new political grouping.

# buy back Iran arms

IRAN AND the U.S. are negotiating in Tehran on the sale-back to the American Government of unwanted weapons and other military equipment. One aspect of the discussions,

expected to last several weeks,

is believed to be the problem of the atatutory U.S. ban on the resale of military hardware by the purchaser to third parties. Among a wide range of items under consideration are thought to he air-to-ground missiles. three refurbished submarines and four "spruance"

destroyers.
An U.S. Embassy spokeaman yesterday confirmed that U.S. officials were discussing this matter among their other tasks of running down the American military advisory and technical assistance programma in Iran. On Wednesday evening, Dr. Ibrahim Yazdi, Iranian Foreign Minister, said in a television interview: "Since we do not need some of the weapons and other military equipment, we are interested in selling these back to the U.S."

Relations between Iran and its longtime closest ally remain cool, with little immediate prospects of improvement. In an interview United Press yesterday. Dr. Yazdi said Iran was sudying the possibility of cancelling the 1959 bilateral defence treaty with the U.S. Under this treaty, the Sbah's regime had received the effec-

nuclear shield against a possible Soviet attack Dr. Yazdi said the 1921 treaty with the Soviet Union may also he cancelled. Iran continues to stick by its demand that Washington replace the man named as the new amhassador to Iran, Mr. Walter Cutler, with someone "who can reflect goodwill

tive protection of the American

At present, the U.S. Embassy in Tehran is beaded by a senior diplomat of ambassadorial rank, Mr. Bruce Laingen, hut his But he is confident of some posting is officially only a temmise deal hetween President leaders, together with Front former National Party members support, because "many South porary one. The impasse over Kaunda in the Bishop "in the Line representatives, met in the of Parliament, Mr. Cas Grey-Africans are deeply concerned Mr. Cutler's appointment re-

towards the revolution

recipients, is causing enormous

Reuter reports, from New York: Dr. Kurt Waldheim UN



were unanimously adopted. For the Fiscal Year closed as at December 31, 1978, pre-tax

Frs. 18,241,000 in 1977. Cash-flow reached Frs. 63,174,000 after deduction of

The Group's turnover totalled Frs. 1 234,480,000, an increase of 24.61% over the previous Financial Year.

Consolidated accounts, including for the first time. Etablissements René Lebranchu et Flis." for 1978, show a consolidated cash-flow of Frs. 92,555,000 against Frs. 84,888,000 ln 1977 whilst net consolidated profits rose from Frs. 28,496,000 against Frs. 21,180,000 in 1977, an increase of 34.55%.

The Annual General Meeting approved the Balance-sheet and the accounts and decided to pay a net dividend of Frs. 12, which together with the tax credit of Frs. 6, amounted to an overall revenue of Frs. 18 per share of Frs. 100 (against a net divideod of Frs. 9 and an overall revenue of Frs. 13.50 for the previous financial year).

previous financial year).

Payment of this dividend will be made as from Joly 2. 1979 at the Company counters or at accredited banks against

صلدامنه للصل

# New U.S. envoy outs pressure on Gen. Somoza

DAVID BUCHAN IN WASHINGTON

peace plan that includes eplacement of President aso Somoza with an m council in Managua, would then appoint a based provisional govern-comprising leaders of the omoza rebellion.

Department officials day would not comment e progress of the politic-lelicate, two-pronged U.S. ive, except to say results r were not discouraging, most unusual diplomatic the new U.S. to Nicaragua sador to Nicaragua d in Managua yes-and saw General za not to present his ntials but to persuade the g dictator to step down in lance with last week's tion by the Organisation

nerican States... the same time, another Department official, Mr. am Bowdler, who played a role in earlier U.S. and mediation attempts beld in Panama with leaders

imports of

eel rise

y 54%

U.S. has made contact with of the opposition provisional sides in the Nicaraguan government which is backed by the Sandinsita guerrilla movement peace plan that includes ment. Mr. Bowdler's task almost as tricky as that of his colleague, Mr. Lawrence Puzzullo in Managua—is to convince the anti-Somoza opposition to participate in any new constitutional arrangement that can be reached and to forsake the goal of total military success over General Somoza.

While fighting in the Nicaraguan cities appeared yesterday to be still stalemated between the rival forces, the U.S. has given the International Red Cross some of the food aid sup-plies It had atokniled in neighplies it bad atockpiled in neigh-bouring El Salvador for distribution to refugees and homeless in Nicaragua.

In the current diplomatic negotiations, the U.S. is acting alme, but State Department officials said the moves were consonant with the OAS resolution and that other OAS countries. who have almost manimously called for the abdication of General Somoza, were being kept closely informed.

#### Oil supplies show a slight gain

itewart Fleming in New York

ORTS OF foreign steel the U.S. soared 54 per in May to the highest 1 since November last , the American Iron and 1 Institute reported

ie biggest increases came sports from Japan and the spean Common Market tries. The revived import stration, although evident in this month's figures, ausing concern that im-s may grow just as U.S. and is about to slow.

eel imports in May fled 1.65m tons compared tim tons in April and a tons in May last year. the first five months of year, imports are still fortably below last year's is at 6.4m tons compared

#### nocrats pick NY

Democratic Party will hold residential nonlination con-ion next year in New York, econd time in a row the city seen selected, Jurek Martin rts from Washington be party's site selection mittee voted overwhelmingly

avour of New York over oit (where the Republi-pre to hold their convenand Philadelphia, main's tuse of its superior hotel

A SLIGHT improvement in U.S. petrol supplies is revealed by the latest figures for refinery runs and stocks published yesterday by the American Petroleum Institute, the oil industry's trade association. But the improvement will have to be sustained if queues at petrol stations are to be reduced.

According to the API, refineries were operating at 86.8 per cent capacity last week, up from the 84.6 per cent level of the previous week which drew sharp criticism from Dr. James Schlesinger, the Energy Secretary. However, this was still slightly below last year's level of 87.5 per cent.

As a result, production of petrol rose slightly, from 6.9m barrels a day to 7.1m, just below last year's 7.2m b/d. Production diesel) also went up (from 3m b/d to 3.1m, the same level as

However, However, much of the increased ontput went into stocks rather than to the motorists' petrol tanks. Stocks rose to 227.2m barrels by June 22, up from 223.9m on June 15. The minimum acceptable level to maiotain uninter-rupted supplies for the whole country is estimated to be around 230m barrels.

#### **3yrd leaves for Moscow**

Y OUR WASHINGTON CORRESPONDENT

in the Soviet Union to limit, contained in the 1974 threshold test ban treaty, is not legally binding because the ratifying the Salt II arms the sident Brezhnev, recuperation the Crimea.

Meanwhile, the U.S. has quesined the Soviets over an indeed above 150 kilotons, this was an ill-timed move as the Salt debate is getting under way.

NATOR ROBERT BYRD, the day, which it is felt here may necratic leader, left yester have exceeded 150 kilotons. This for the Soviet Union to limit, contained in the 1974

# Mexican offshore oil comes on stream

BY WILLIAM CHISLETT IN MEXICO CITY

EXICO'S offshore uil producexico's offshore uil produc-in has come on stream with c operation of the first well the Cantaiell area in the Bay Campeche, in the Southern orner of the Gulf of Mexico, id to be one of the world's regest offshore fields for oil id natural cas.

id natural gas.

Initial production is 19,850 arrels a day, which brings fexico's total daily output to libest 1.6m barrels. A spokesian for Penick, the State-naned il corporation, said that by the state of the pourth relief wells

il corporation, said that by the nd of the month other wells ould be in production with a numbined total of around 0.000 b/d.

Now that offshore production has started, it thrusts Mexico wen more to the forefront as soc of the world's potential hajor oil-producing countries. Mexico is not a member of DPEC. Pemex estimates that the Cantarell wells are capable the Cantarell wells are capable of eventually producing the same amount of oil as Mexico's state of Chiapos and Tabasco.

The Cantarell wells could be producing between 400,000 and 500,000 b/d by the end of 1961, when Mexico's daily output is forecast at around 2.25m times bairels. Four of the 16 offshore field. And where 167 wells in Cantarell known and the suffernment of th

than the Reforma-Chiapas cone S00m barrels.



oushore, which produces 60 per cent of Mexico's production. The oil is of a light grade,

The whole Campeche field is 5,000 square miles, and is believed to be an extension of the onshore field. So far, 11 perforation teams have discovered eight production areas in Campeche, three of them in the Capitarell area. The immense reserves of Campeche have not been stated bul, according to been stated bul, according to Pemex, they could be three times the size of the Reforma

platforms are in place, from Another area in Campeche, where 167 wells in Cantarell known as Ixtoc One, which and two other areas will be developed.

The Cantarell area is about the cantarell area in Campeche, known as Ixtoc One, which suffered a blow-out on June 3, since when 30,000 b/d bave since when 30,000 b/d bave since when 30,000 b/d bave areas of the cantarely area is about the cantarely area is about along to have reserves of the cantarely area in campeche, and the cantarely area in campeche, and the cantarely area in campeche, where the cantarely area in campeche, and the cantarely area in cantarely area in campeche, and the cantarely area in cantarely area. 440 squre nifes and is deeper said alone to have reserves of

# Grounded aircraft cost could reach \$250m

BY IOHN WYLES IN NEW YORK

WITHEN THE next few days the Federal Aviation Administration is expected to indicate bow much longer eight U.S. the loss of 138 DC-10s. They airlines will have to cope with the difficulties, and the able seat capacity and 5 per which the pylon in engine and the cont of the domestic fiest. tration is expected to indicate bow much longer eight U.S. airlines will have to cope with the difficulties, and the enormous costs caused by the grounding of the DC-10 aircraft.

The FAA will not discuss its intentions, but a decision is expected next week on the timing and conditions according to which the DC-10 can be recertified. Although the possibility cannot be ruled out that the FAA may insist on structural modifications, which could ground the aircraft for a good deal longer, speculation here suggests that new maintenance and inspection procedures will be the basis upon which the ance and inspection procedures will be the basis upon which the aircraft will be freed for renewed operations.

Recertification should, of course, enable Laker Airways to person, its Shuttain services.

restore its Skytrain services between Britain and the U.S. promptly, but the full return of the U.S. owned fleet of DC-10s will be delayed by the need to recertify up to 2,000 pilots. who must spend time on flight simulators and perform three take-offs and landings in the aircraft before they can fly it

Most of the attention so far has focused on the problems created for McDonnell Douglas

cent of the domestic fleet.

The affected carriers bave

heads could amount to between \$200m and \$250m. Some air-lines are better able to bear their share of this financial burden than others, but none is anxious to see the DC-10 returned to normal operations without a clear statement from the FAA about the safety and iotegrity of the design.

#### Airworthiness

Since it suspended the DC-10's certificate of airworthiness, the EAA bas apparently recognised that the crash of the American Alrilnes jet oo May 25 raised created for McDonnell Douglas serious questions not only about But certainly this procedure assure sufficient back-up sup- DC-10 has been put through by the first ever decertification the aircraft's design but also now seems likely to be beld port in case a bulkhead fails, extensive flight tests by an FAA of a U.S. aircraft by the FAA, about the effectiveness of its responsible for the crack in the most people expect the institu-

273 lives were lost in the Chlcago crash because of the failure of an aft bulkhead by which the pylon or engine mount was attached to the wing. It appears that the bulkhead had been cracked some two months earlier during main-tenance, wheo the pylon and the engine were removed from

the wing. McDonnell Douglas recommended the separate removal and reinstallation of the pylon and engine during maintenance but at least three airlines, American Continental and United, carried out this procedure in one slep,

According to Fortune Magazine, Continental reported that it had damaged a bulkhead during maintenance and McDonnell passed on knowledge of this problem to other DC-10 operators in January. According to Fortune, the FAA sboold bave received a copy of Continental's report to McDonnell but the agency denies any record of this.

report to McDonnell but the agency denies any record of this.

It also denics that it was roll sharply to the left and to were unbalanced, causing it to National Aem or oll sharply to the left and to Space Administration of the commended maintenance procedures for the removal of eogine and pylon.

But certainly this procedure assure sufficient backup supports the commended of the right side, the left and the to a re-creation wind tunnel to a re-creation with tunnel tunnel to a re-creation with tunnel to a re-creation with tunnel tunnel to a re-creation with tunnel tun

THE DC-10 CONTROVERSY

Grounding gives TWA a sharp profits boost, Page 33

bulkhead of the American Air-lines jet, which worsened during the two months before the crash so that it finally gave way on takeoff on May 25. This apparently caused the pylon to flip backwards over the wing, severely damaging bydraulic and other systems. This caused the leading edge flaps, which give lift on takeoff, to retract on the left side. Since the flaps were still deployed oo the right side, the left and the

return to removing the pylon and engine in one piece.

In the last few days it appears that an FAA decision has been delayed by the difficulties of explaining serious cracks and other damage to a pylon on a United Airlines DC-10 which were discovered during the general inspection ordered in the wake of the Chicago crash.

These defects were in a part of the pylon which had shown no flaws in the American Air-lines accident and have been tentatively attributed to an engine failure during flight. McDonnell Douglas insists that there is no good reason to prolong the grounding of the DC-10 for one day longer and provides on request a lengthy list of the tests and investiga-

tions which have been carried our since May 25. These range from four FAA working parties probing various aspects of the aircraft's design and structure to a re-creation of the crash in wind tunnel tests at the National Aerooautical and Space Administration's test centre in Langley, Virginia.

redesign the pylon structure to In addition, an undelivered assure sufficient back-up sup- DC-10 has been put through

tion of more rigorous inspectian nell, subjected to considerably procedures and a ban on any more stress than is encountered in normal flights,

As soon as they are free to fly the aircraft again, the six trunk airlines and two charter operators which own them are

operators which own them are likely to spend considerable amounts of money in trying to overcome any public aversion to the DC-10.

This has not been apparent in Europe since the aircraft returned to service but some analysts believe it could take six months for the U.S. travelling public fully in accept the DC-10 again.

DC-10 again.
But the task of overcoming public anxiety will probably he casier for ninst carriers than the difficulties of operating without nental and National Airlines, have withdrawn from some routes altogether, but most have totally recast their schedules so as to use other aircraft more intensively and to accommodate

as many passengers as possible. Coming hard on the heels of the United Airlines strike. which removed about 24 per cent of U.S. scheduled airline capacity for all of April and most of May, the DC-10 grounding has caused long queues and uncertain flight arrangements to continue which, allied to the travelling in the U.S. a trying

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# China plans £1.62bn deficit

to treble imports of technology

Economic growth in 1979 will be much slower than in 1977 and 1978, hut workers can personal income as the Government alms for increased consumer spending the second contract on 1978. sumer spending to revitalise the ecocouty.

China's economic plan for 1979 was published yesterday. but was presented a week a20 to the National People's Congress. China's parliament, in a speech by Vice-premier Yu Qiuli, Chairman of the State Planning Comunission.

Australian

aluminium plan

TOKYO - Seven companies

Japan will set up a new rom-pany in Australia late next

month to start a \$600m alu-

Renter.

trade deficit this year and plans 1978 increase of 40.1 per cent. cent in 1979-total exports will expect large increases in their and equipment worth 4.7bn yuan

> A total of 40bn yuan (£12bn) is to be invested in industrial construction this year, of which about 10 per cent or £1.2bn come from foreign exchange loans.

Chioa has negotiated .. terms for three major loans so far: a credit line of £3.3bn from Vice-premier Yu said imports £560m from Britaio's Export growth in the year ahead. After trol wi would increase by 32.4 per cent Credits Guarantee Department, a slowdown in the first quarter, set up.

THE CHINESE Government is this year, to 24.8bn yean and a £930m loan from a con-budgeting for a £1.62hu 1\$3.5bn) (£7.45bn), cumpared with the sortium of 31 Japanese banks. rate of 8 per cent. Agricultural

Export growth will slow from boost in Imports was "a major 2.5 per cent, leading to an over-20 per cent in 1978 to 14.7 per policy decision" reflecting the all growth of around 6 per cent. teent in 1979—total exputs ....
be 19.2bn yuan (£5.77bn), ment to rapid mouernment will include technology
Imports will include technology
But emphasis will be put on importing technology and equipto meet China's light inment to rapid modernisation. ment for 1979 deliberately dustrial needs.

The economic plan confirms the Government's decision to use the carrot of material rewards to provide the incentive needed to lift the Chinese economy out of the doldrums, boosting prnstreamlining ductivity and efficiency.

Vice-Premier Yu warned the France, a credit facility worth nation not to expect rapid to be brought under central con-£560m from Britaio's Export growth in the year ahead. After trol with a national grid being

Vice-premier Yu said that the growth will be much lower, at

Mr. Yu admitted that investneglected heavy industry, par-ticularly steel. This is no doubt because of acute shortages of fuel and power, confirmed by Chairman Hua Guofeng on Wedoesday.

In a bid to improve energy supplies, Mr. Yu said that oilfired power stations were to be converted to coal - in abundant supply in China and for the

most part easily recoverable. Electricity supplies are also

#### UK deficit with Japan rises to £370m

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

from the U.S., Australia and deficit with Japan during the first five months of 1979, with exports of £245m (up 20.5 per cent on a year ago) and imports Although the figures look of £615m lup 20.6 per cent), a somewhat discouraging taken as spokesman for the British a whole, a month-by-month minim production project at Gladstone, Queensland from Embassy said yesterday. On an annual basis this would be a deficit of £885m, a substantial A spokesman for Somitomo Light Meial Industries, one of the Japanese partners, said the new company, Gladstone Alu-minimum, will be 30 per cent owned by Comaleo of the U.S. anil 20 per cent by Kaiser Aluminium and Chemical Corp-

Britain ran a £370m trade British imports from Japan were in April and 55.9 per cent in "covered" by exports compared May. with the 1978 coverage ratio of

> Although the figures look analysis shows sharp contrasts which suggest that the situation may not be as bad as appears.

nericit of 1888m, a shostandar increase on the 1978 UK deficit with Japan of 1874lm.

The trade figures also appear rather unsatisfactory if analysed strikes beld up shipments from the as all as appears.

UK exports fell by the very steep margin of 37 per cent in February (mainly because strikes beld up shipments from from the viewpoint of import Britain) but then grew by 27.4 experted du "coverage"—39.8 per cent of per cent in March, 45.3 per cent of the year.

parts which continue to be imported into Canada.

cern about the "third option"

Is that Canadian imports from

western Europe have increased rapidly in the past three years,

croding what was a healthy sur-

plus in 1976, to what is now a

rough halance of about C\$5.5bn

also halanced, it has shown

his Government was ready to

introduce concrete measures

to strengthen trade relations

While trade with the U.S. is

One of the reasons for con-

One of the major questions hanging over the future of UK-Japan trade during the remainder of this year would seem to be the prospect for increases in Japanese imports of manufac-tured goods.

These grew by 53.9 per cent during the first three months of the year and by 49.3 per cent in April, but some slowing down is experted during the latter part

#### CANADA'S EUROPEAN TRADE

# Facing the American reality

BY LORNE BARLING, RECENTLY IN TORONTO

concept of reassirming the couneconomic independence through increased trade with ralled "third option." has clearly suffered the same fate as Mr. Pierre Trudeau, one of its main proponents.

apparently intends to swim with the increasingly strong tide of trade with the U.S., despite the fact Canada is already feeling the effects of America's energy

So far, the GATT negotiations in Geneva have failed to provide any real incentives for renewed Canadian interest in exporting to Europe. On the other hand, the free teade ratio with the U.S. is now being raised to about 70 per renl.

While the policy of North American continentalism is scrupulously avoided in public discussion, Mr. Michael Wilson, Canada'e new Trade Minister, recently urged exporters to concentrate on their major market, far too little to offset the tradi-

Trane officials Wilson's views should not be seen as anti-Europe, but the realities of Canada's traile pattern cannot be avoided. Exports to the U.S. now account for by only 19 per cent. around 70 per cent of the country's foreign sales and the EEC only 9 per cent, empared with 65 per cent and 16 per cent in 1970.

However, the substantial fall cars,

in the first five months of this year has riscn by 40 per cent compared with 1978, indicating that the "third option" is still attractive.

Canadian exporters are also less nptimistic than Mr. Wilson ahout the U.S. market, at least in the short term, herause of forecasts of a downturn later this year, Overall, the Canadian in each direction. trade position is looking increas-

It is estimated that the pay much sironger growth in the ments defirit this year will same period from a total of

Mr. Joc Clark, Canada's Prime Minister, told Mr. Roy Jenkins. President of the European Commis sion, at the Tokyo Summit this week that

between Canada and the EEC, Agencies report from Tokyo.

far too little to offset the tradi-tionally large and rising deficit The details of the GATT deal with the U.S. are now emerging, on invisibles this year Canadian imports from

the U.S. rose by 27 per cent in value, while exports increased

and consider buying smaller are hungry for new markets.
cars. Around 70 per cent of The U.S. in turn, has agreed vehicles assembled in Canada to reduce average industrial

amount to around C\$7bn about C\$50bn in 1976 to more 1£3.2bn), its biggest ever. This than C\$70hn a year now. Hence is due largely to an expected the desire during the next surplus of only \$3.5bn to \$3bn decade for Canada to improve on the rurrent account, which is its terms of trade with the U.S.

and it is generally accepted that

In the first four months of they are considerably more the terms negotiated with the EEC. However, they also bave far-reaching impleations for One of the major problems is Canadlan manufacturing in-the drop in U.S. car sales as dustry, faced with large and prospective buyers await the highly competitive U.S. com-ourcome of the petrol shortage panies across the border, which

THE ONCE-POPULAR Canadian European freight volume, which a rapidly growing deficit on car exports of higher-value goods rather than raw materials, or semi-manufactures, on wbich Canada has long depended for a high proportion of exports.

Perhaps the most important single item agreed is that Canada will have greater access in the U.S. to Federal Government procurement business, made possible under the agreement on non-tariff barriers.

Nevertheless, some econ-mists predict that Canada's overall deficit will continue to rise sharply in the next few years, despite its favourable energy position. At the same time there is expected to be an increased demand for foreign investment, which may be sti-mulated in the sbort term by the weakness of the dollar. .

Although · there · remains strong opposition in some quarters to the high level of foreign investment and the consequent outflow of profits, capital re-quirements of up to C\$1 trillion decade cannot be met from domestic sources.

As a means of limiting the requirement for foreign capital, a substantial reduction of the projected current account deficit is now regarded as a priority, particularly through an improved export performance.

It is, therefore, likely that Maputo. although Canada will continue along the inevitable path of However, the substantial tail cars. Around in the value of the Canadian vehicles assembled in Canada to reduce average made abroad and to attract foreign dollar against European currenates has made the EEC a conalthough there is a trade sursiderably belter market. Indicaplus on complete vehicles assembled in Canada to reduce average made abroad and to attract foreign trial goods to 4 per cent against investment will mean that Eurosubstantial tail cars. Around in the U.S., and tariffs against Canadian industrial abroad and to attract foreign trial goods to 4 per cent against investment will mean that Eurosubstantial tail cars. Around in the U.S., and tariffs against Canadian industrial abroad and to attract foreign trial goods to 4 per cent against investment will mean that Eurosubstantial tail cars. Around in the U.S., and tariffs against Canadian industrial tail vehicles assembled in Canada to reduce average made in the U.S., abroad and to attract foreign trial goods to 4 per cent against investment will mean that Eurosubstantial tail vehicles assembled in Canada to reduce average made in the U.S., and tariffs against Canadian industrial tail vehicles assembled in Canada to reduce average made in the U.S., and tariffs against Canadian industrial tail vehicles assembled in Canada to reduce average made in the U.S., and tariffs against Canadian industrial tail vehicles assembled in Canada to reduce average made in the U.S., and tariffs against Canadian industrial tail vehicles assembled in Canada to reduce average made in the U.S., and tariffs against Canadian industrial tail vehicles assembled in Canada to reduce average made in the U.S., and tariffs against Canadian industrial tail tariffs against Canadian industrial tariffs ag

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29th June 1979

#### BL in bid for major Saudi bus order

By Our Foreign Staff

BL, formerly British Leyland seeking to win part of a major Saudi Arabian order for 3,500 buses and coaches which will be used to provide city and long distance services.

A contract to sunnly the first 500 vehicles has been awarded to Neoplan of West Germany, and other companies competing include Mercedes Benz, Fiat and Volvo. The overall value of purchases is expected to be about £100m.

The Neoplao buses will begin Rivadh at the beginning of July following their purchase hy the newly formed Saudi Arabian Public Transport Company.

its shareholding structure and financing provisions this year and an earlier plao for a foreign operator to bold 10 per cent of the equity has been shelved. As a result, plans to order the 3,500 buses immediately have been delayed in favour of start-

ing up at once with the limited number of Neoplan buses. Despite regulations which favour local bus manufacturers, foreign companies' chances of winning orders have been helped by the lifting of a ban on diesel powered bus engines. All huses in Saudi Arabia have

previously been petrol engine BL said that the type of buses required would probably be single-decker models supplied with body, such as the Leyland

The supply of bodies direct rom the manufacturers, rather than fitting them to the chassis on location with cheap labour, has greatly increased the price per bus, which is likely to be upwards from £30,000.

There has heen criticism, however, over the BL decision not to participate in the Middle East transportation exhibition in Dubai in October. The company said that it was doing "something special" no its own aimed at specific markets such as Saudi Arabia.

#### Mozambique power plant completed' By John Wicks in Zurich

AN INTERNATIONAL consortium of 16 companies has completed the final stage of the giant bydro-electric power station of Cabora Bassa in Mozambique. The project, which consists of

five geoerators with a total output of some 2,000 MW, has been carried out in accordance with 1969 Power from the plant, which

is located on the Zambezi, is transmitted to South Africa via high-voltage DC lines, part of the current being retransmitted to the Mozamblque capital of The construction consortium

included companies France, Germany. Portugal and South Africa. operation began during summer, 1975, since when more than 14.120 GWH of have already been

### Andes nations seek special

Cesar Turbay Ayala of Columbia said yesterday that Andean Pact countries would seek an agreement with the Common Market to fight what he called European protectionism. He told a Press conference

that it was vital for the Latin American economic grouping to conclude a reasonable agreement with the EEC "to eliminate the discriminatory and protectionist character that we objectively note today within the European Com-munity."

The Andean Pact countries are Bolivia, Colombia, Ecuador, Peru and Venezuela. Spain is expected to join the EEC in the mid-1980s.

A joint communique issued at the end of President Turbay's three-day official visit bere said the two countries had signed several co-operation agree-ments and agreed to expand trade relations. Belgrade is the next stop nn

his European tour,

#### World Bank loan to India

THE WORLD BANK has approved a loan of \$467.5m (£228m) to six countries for development projects, it was announced yesterday. Under the scheme, India will

receive \$250m for the construction of a fertiliser processing plant; Turkey \$85m for a grain storage works and a further \$15m for a ports rebabilitation project. Other recipients are: Bangladesh \$22m; Sri Lanka \$16m; Mall \$12m; and Bolivia \$7.5m. The loan was undertaken in conjunction with the International Development Association.

# W. Europe 'likely to | Exports aid be fastest growing export market'

BY LORNE BARLING

tries are likely to provide the around 5.5 per cent in the past world's fastest growing export markets during the next two years, while imports by the U.S. and the oil producing countries are expected to slow down.

According to a report by the British Overseas Trade Board (BOTB), recent trends in world export markets are likely to undergo considerable changes, partly as a result of the rapidly chaoging energy equation.

It points out that export markets in the U.S. and the Third World have grown rapidly in the past two years, while Western Europe has lagged. The company has altered both " But over the next two years

most current forecasts suggest that the positions are likely to be reversed, with export mar-kets growing fastest in Western Europe," it says. In the U.S., progressively tighter fiscal and financial measures introduced in response

WESTERN EUROPEAN coun- or so. This follows growth of three years.

Imports by the oil-producing countries, which increased at around 12 per cent a year in 1976 and 1977, have now fallen to about 6 per cent and a further fall to 4 per cent was expected this year, even before the crisis

in Iran. The report says that this has come about as a result of falling current account surpluses in the oll-producing countries when dollar oil prices failed to keep pace with the rise in the

cost of imports.

Referring to Western Europe, the report suggests that West Germany, after a period of restrictive policies, is now becoming an attractive export market and its recently announced tax cuts are expected to boost import growth to 7.5 to 8 per cent over the next year nr so. In France and Italy, the BOTB says, a recovery in exto the adverse balacce of pay ports and expansion of domestic ments are expected to bring demand is likely to lead to down the annual growth of faster growth of imports, up to import volume to around 3.5 to rates of around 7 per cent a

# French car sales

By Terry Dodsworth in Paris FRENCH CAR production and exports surged forward strongly last month, while registrations showed further signs of slowing down after the sharp rise experienced in the first quarter.

The figures, issued by the Motor. Manufacturers' Associatinn, give further indications demand for cars is beginging to level off, as many of the industry forecasters suspected it would in the latter half of the year. But output is slill being maintained at a high level, partly because of healthy overseas demand.

Exports last month were particularly buoyant, rising by 22.6 per cent compared with May last year from 128,400 cars in 157,400. This means that sales overseas have advanced by an overall 4.5 per cent during the first five months of the year from 702,600 vehicles to 734,500.

Output rose by 12 per cent from 267,300 cars to 299,300 giving an overall increase for the year of 3.2 per cent from 1,389,000 to 1,434,000. Both production and exports show a disproportionately large rise because of the large number of working days which fell into the period.

#### **British share of Swiss** market steadily increasing

BY JOHN WICKS IN ZURICH

per cent over the next year year.

BRITAIN'S share of the Swiss machinery, chemicals, profes-import market has shown a sional, scientific and optical import market has shown a steady increase in recent years. according to the British-Swiss Chamber of Commerce.

Following a rise in deliveries by £143.301 last year to £661.9m. this rose to almost 8 per cent, compared with 7.3 per cent in 1977, 6.7 per cent in 1976 and 6.1 per cent in 1975.

Within the 1978 total, which excludes diamonds and gold coins, major British exports to Switzerland were machinery, with £110.2m of the total and chemicals with £105m. Other product groups included transport equipment worth £63.4m. non-ferrous metals at £61.6m, professional, scientific and optical goods worth £30.5m, textile
varn and fabrics worth £27m,
8.4 per cent increase. Because and £25m worth of clothing. Swiss exports to the UK rose

even more sharply in 1978 by £229.2m to £839.5m—owing mainly to increased sales of organic chemicals, machinery, electrical equipment and instruments.

Switzerland has for some years had a surplus in its trade with the UK. By far the great- smaller sales to tourists and and increased use in central est deliveries are those of border-crossing foreigners. ... heating systems.

goods and textile yarns and fabrics. Figures just issued by the Swiss authorities show that In

terms of Swiss francs, imports from the UK are higher this year so far than exports to the UK. In the first five months of 1979, British sbipments to the Swiss market have risen to SwFr 1.52bn (£430m) and exports to the UK to SwFr 1.25bn.

Meanwhile Swiss chocolate exports dropped by 7.9 per cent in volume terms last year, total sales of Swiss chocolate manufacturers—including those on the bome market—declining by 6.2 per eent to some 62,000

of a fall in per-capita chocolate consumption from 9.6 to 9.1 kilos, imports also showed the first slight decrease for several years, although their overall share of the Swiss market rose from 12.6 to 13.2 per cent.

The reasons for the drop in

Swiss demand are seen in the

#### Swissgas hopes to complete Sonatrach deal

By Our Zurich Correspondent

SWISS consortium Swissgas has announced that it hopes during the current year to complete negotiations started last autumn with the Algerian hydrocarbons company Sona-

The Swiss are aiming for a . large-scale natural gas delivery contract, supply to be through a pipeline via Tunisia, the Mediterranean and Italy. Swissgas indicates that Government support will be needed for conclusion of the contract.

At present, gas accounts for only 4.2 per cent of total energy consumption in Switzerland. Swissess hopes to double this share by 1985, which would mean the supply of an additional 500-600 cubic metres a year.

While it is admitted that such expanded supplies would tem-porarily exceed demand, fine consortium foresees new uses for the planned higher volume. These could include consumption in a coal and gas power station which might be built on the upper Rhine with a increase of the retail price and capacity of some 300 megawatts

# Italy steps up oil supply search

6Y RUPERT CORNWELL IN ROME

efforta to secure the country's for assured deliveries of oil. future oil supplies with the signature of a long-term oil and gas exploration and production agreement with the Republic of South Yemen.

The deal, finalised recently in Aden, comes just ten days after ENI announced an arrangement with Saudi Arabia for the direct sale of 12.5m tons of crude oil to Italy over the next two and a half years, bypaising the major oil companies.

EEC pact

MADRID — President Julin

Sear Turbay Avala of Column

Earlier this year Sig. Giorgio
biazzanti negotiated similar
deals with Iraq and Libya for a
total additional 3m tons, and has

ENI, the Italian state hydropaid visits to post-revolutionary, any commercially exploitable carbon agency, has increased its Iran and Mexico in the search finds will be shared with the

covers two zones, one onshore, and one offshore, covering a total 15,000 sq kms, where Agip, Mitsu had read ENT's refining and distribution subsidiary, will carry out exploration. The company is already look-

ing for hydrocarbons, with apparently encouraging results, in another 10,000 sq km area in South Yemen under a similar agrement signed in 1977. The new deal is on a production-sharing basis. The Italian company will take all the risks

or assured deliveries of oil. Yemen Government. Agip will The South Yemen agreement also train local staff in various aspects of oil industry tech-Mitsui said in Tokyo that It had reached agreement with the National Iranian Oil Company

(NIOC) to buy 150,000 tonnes of naphtha from fran for shipment in the second half of this year. A contract will probably be signed soon, it said without disclosing price details. C. Itoh and Marubeni, two other Japanese trading bouses, bave each contracted to buy 100,000 tonnes of namhtha from NIOC this year, it added.

NOTICE OF REDEMPTION To the Holders of

connected with exploration, and

#### ENTE NAZIONALE IDROCARBURI E.N.L

(National Hydrocarbons Authority)

61/2% Sinking Fund Debentures due February L 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Deben-tures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on August 1, 1979 at the principal amount thereof \$1,174,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits: 30 42 50 58 68 71 Also Ontstanding Debentures of Prefix "M" Bearing the Following Serial Numbers:

On August I, 1979, there will become and he due and payable upon each Debeolure the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Charanty Trust Company of New York, 15th Floor, 30 West. Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italian in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemene Bank Nederland N.Y. In Amsterdam or the main office of Kredletbank S.A. Luxembourgeoites in Laxembourg-Ville.

Debentures surrendered for redemption should have attached all unmatured coupons appartenant thereto. Coupons due August 1, 1979, should be detached and collected in the usual manner.

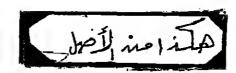
From and after August 1, 1979, interest shall cease to accure on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY

Juno 28, 1979

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The following Debentures previously called for redemption have not as yet been presented for payment: DEBENTURES OF U.S. \$1,000 EACH



# Singer cuts 600 jobs

Y RAY PERMAN, SCOTTISH CORRESPONDENT

ng machines.
ce company told uniona last that it wanted to cut the r force—now 3,700 after a lown from 4,800 last year—nearly one-third. But this and was modified after shop the result of the resul ards agreed to a four-day for many of the employees

e reundancies will take at the end of September will affect manual and collar werkers. Shortworking will hegin in

If of the job loss waa ried as part of the restruc-g of the plant. The rest employee ributable to falling sales. to save in . John McFadyen, union mor, said the factory was producing 8,500 sewing ines a week, but manage-forecast that demand I fall to around 5,000 a between September and tmas, before rising to 7,000 in 1980. his is something that is

ming internationally. It and even the supernt West Germana are to take a six-week 17 countries. ier holiday."

McFadyen sald managecomplaints over the sfailure to achieve agreed ictivity levels were the teething problems new machine tools, which l be resolved in time.

SER is to make a further workers redundant at its bled Clydchank manufactive plant, partly hecause of court levels for next year most bold firm. "The op in demand for domestic might not bold firm. "The ag machines. productivity targets is a pre-requisite for future investment

> The future of Singer Clyde hank was placed in doubt last year when workers refused to accept a management proposal to restructure the plant, mean ing new investment of £8m but the loss of 2,000 johs hy 1982. The workers' decision wes reversed, but Mr. later

> McFadven said morale had remained stewards low and shop had heen working prevent a fatalistic attitude that would lead employees to give up the fight to save johs.
> Andrew Taylor writes: Singer

is to move its European headquartera from Ealing. West London, to Maidenhead, Berkshire.

U.S.-owned group is The thought to bave paid over £2m to acquire a seven-acre site et Maidenhead owned by Alenco. part of the Charterhouse Group. The site includes 18,000 sq f nt just affecting Britain. of offices and a further 50,000 market for domestic sq ft of industrial buildings ines in the U.S. has col. The headquarters will include telecommunications centre linking Singer's operations in

It seems unlikely that Singer will retain the whole seven-acre site. It may wish to develop the existing industrial buildings It is understood the group has already met local planning officers to discuss the possibility of developing part of the site.

#### rchitects pick president

tects, succeeding Mr. Gor- panies.

Jefferson said yesterday ie felt the era of massive elonment was over, and ects must now be more rned with the quality of

BRYAN JEFFERSON has The institute will also consider elected the new president the question of architects form: Royal Institute of British ing their own building com-

The new president said he thought the question of advertising hy architects should he looked at again. Mr. Jefferson's practice, Jeffer-

son. Sheard and Partners, has offices in London and Sheffield. ring his term. Mr. Jefferson He has designed developments in central Sheffield and Huddersask the profession to re-ine the Monopolies Com- field. A building he designed for on report on architects' fee the Centrel Electricity Generatwith a view to making ing Board was commended in more flexible end appro- the Financial Times Industrial to the economic climate. Architecture Awards in 1967.

#### **Americans** preparing. to invest in Scotland

By Ray Perman, AMERICAN COMPANIES are showing much interest in Scotland as a possible Enro-pean manufacturing base following a promotion drive hy the Scottish Development

Agency. The agency followed up its five-city tour of the U.S. last April with calls on companies and banks. More than 70 expressed interest and 25 commlited themselves to visiting Scotland to look at sites and talk to central and local government.

By the end of July about half of these companies will have been to Scotland. The agency hopes to have all the visits completed by antumn, when it plans another U.S. trip. Sir William Grav, ebsirman

of the agency, who returned from America this week, said that it was selling a distinctly Scottish identity and doing it forcefully. An office has been opened in New York and another is planned in

He helieved that a big advance over other British efforts at industrial promotion was the bringing together of government and local antiborities so that potential investors had to deal with only one body, rather than a confusing range of different organisations

The agency is looking for manufacturing investment of all types, but is particularly interested in electronics. It bas accepted a recom-mendation from consultants Booz Allen and Hamilton that it should aim to attract a minimum of seven U.S. electronies comnanles, providing 1.200 new jobs by 1981.

In particular, its targets should be companies involved in data processing, world processing, and instrument controls, since these are fastgrowing fields, and few bave manufacturing plants within the EEC. Some of these companies are among those which will visit Scotland.

One of the agency's best cards is the experience of U.S. electronics companies already established in Scotland, such as IBM, Honeywell, Burroughs, Digital Equipment, Hewlett Packard, and Motorola Semi-conductors. All are expanding rapidly and report productivity levels comparable with those in American plants.

## Call for revision of Ulster job policy

THE NORTHERN Ireland Eco- members clearly had in mind the nomic Council yesterday sug-gested the Government should shift the emphasis in its joh creation strategy in Ulster in favour of helping existing companies and small husinesses to

While it did not seek a dra-matic switch in policy the council questioned the cost of jobs created by new overseas investment projects which have een vigorously pursued in the past two years.
It also said these might prove

Some recent inward invest-

De Lorean sports car venture being established in Belfast with £53m of Government aid.

The council noted that the capital cost of creating a job ln small businesses was £4,200, very much lower than the £21,000 it cost the Department of Com-merce in Northern Ireland to promote a job through the attraction of a new company.

The members of the council,

who are drawn from both sides of industry under the chairmanship of Professor Sir Charlea to be "more risky" than the development of existing firms. Carter, also criticised the present package of investment incentives as so complex that ment had been extremely expen-aive, the council said in its to potential investors. They asid report to the Government. It that the package abould he mentioned no names but its simplified.

# Wales CBI appeals for regional council

BY ROBIN REEVES, WELSH CORRESPONDENT

referendum rejection of a organisations.

Welsh assembly last March, The new council would in

bave 30 members representing Welsb council nominated by the different economic and social Welsb Secretary.

interest groups to advise end The Wales CBI's proposal MPs, and civil servants on ssues arising in Wales.

THE WALES CBI has called year, and the membership for the esetting up of a semi-autonomoua council for Wales Secretary for Wales from lists to fill the vacuum left by the prepared by the representative

The proposed council would practice replace an existing

interest groups to advise end inform Government Ministers, also counters a Wales TUC call for the establishment of a Welsh economic, educational, in Neddy. The CBI view is that dustrial, social and cultural Welsh industry is inextricably linked with the rest of the UK It would bave an independent "We caooot, therefore, see a secretariat with its own budget, a full-time chairman, paid a based, lower tier sector working salary of £20,000-£30,000 a parties," it says

#### Electricity price warning for Scots

BY OUR SCOTTISH CORRESPONDENT

that a further price increase was report. The previous year'a inevitable this year, following a figure was £1.8m. The Board has 9.6 per cent rise in April.

The Board hlamed rising coal five weeks' income and oil prices. Only a third of The new power station under the electricity it generates comes from hydro schemes, with most come into operation next year, of the rest produced in conventional power stations.

THE NORTH of Scotland Hydro- after interest charges, this was Electric Board warned yesterday reduced to £2.1m. says its annual reserves of £15.5m, equivalent to

coostruction at Peterhead should the report adds. Although designed to burn oil, it will The Board made an operating initially use natural gas liquids surplus of £48m last year, but, from Shell-Esso's Brent field. NEWS ANALYSIS — FILM FINANCE

# Star attraction

AT FIRST glence it would seem has two film industries. that events have overtaken Sir Harold Wilson and his Interim Action Committee on the Film Industry.

His report was commissioned by a Labour Government and is presented to a Conservative one; it recommends tax incentives to a Chancellor who has embarked on an amhitious reappraisal of personal taxation; and it comes while the film studios are busier than for a long time, much busioer than when the committee was set up as an emergency think-tank,

However, the report is likely to prove useful to the Department of Trade, under whose amhit (much to the regret of Sir Harold, who would like to see it with Mr. St. John-Stevas's Arts activities) films fall.

#### Complexities

The complexities of the business bave presented obstacles to the committee, whose report thus provides an excellent hriefing document for any comparatively new aoy o Minister.

Sir Harold, for example, could not get his committee to agree on whether the quota system, which limits the number of American films a cinema may show, should be ended. Predictably enough, the cinema owners asid it should, and the unions and producers said it should not.

However, if the differences between production and exhibi-tion are not bad enough, anyone

One is a production house for foreign financed pictures (Star Wars 2 and Superman 2 are being made here) and the other, much smaller, is the indigenous industry, making British films, with British money, for British audiences.

The Wilson Committee has made some effort at producing a system of incentives to encourage the latter without causing the former to look elsewhere.

The committee view scems largely that if the intercational film world is coming to Britain now, it will continue to do so in the future.

"The ways to make Britain more attractive permanently as a production service centre for Americans and for everyone else are to ensure that its production facilities and skills are, and remain, as up-to-date and as good as anywhere in the world-and that its labour practices are better than anywhere else in

Stimulating a lively domestic film husioess is more tricky. The Eady Fund was aimed as a help in that field. Set up in 1950, it takes some of the hox-office receplts from all films shown in Britain and returns the money to the makers of British films. That return is in proportion

to the hox-office takings of that film. It is, therefore, a reward for .. It may he a simple and Whether a Tory Chancellor effective system, but it is a bit will accept that theory remains too simple for the Wilson com-

mittee.
Although Sir Harold was careseeking to deal with the film ful not to name films when talk- hopes are high, but my expecta-

mittee felt would have done just as well without Eady support, not everyone on his committee was so discreet. The Brent Walker production. The Stud. and two other racy items, Con-fessions of a Window Cleaner and Confessions of a Driving Instructor, were thought not to be the sort of film that justifies State support, even via the Eady

What the committee wants the money used for is to stimulate the production of indige-nous films of quality.

However, the aspect of the Wilson report that is likely to scize the largest headlines today

is its views on taxation. In recommending tax changes to benefit the world of show husiness, Sir Harold and his companions are simply recognising that film talent, like film moncy, it extremely mobile and will simply settle wherever it finds the environment must

#### Small price

That raises the question whether any society should single out a particular section of its workers for special treatment. In the film world, it is generally thought that If giving a film star or investor the chance to keep a few more pounds or dollars gives several hundred technicians work and aids the balance of payments.

then it is a small price to pay. to be seen. On the overall attitude of Government towards his report, Sir Harold says: "My world has to accept that Britain ing of those which his com- tions are a little qualified.

# Judge says tanker must stay

BY LYNTON McLAIN

A HIGH COURT judge ruled to allow the German tanker to yesterday that the crippled oil tanker Tarpenbek — now anchored upside down a mile Mr. David Steel, for the off the Isle of Wight—had to Trade Department, said the only stay there so oil could be off- real allernative-towing the loaded.

Mr. Justice Walton refused an application from borough councils, the island county council unable to say which other and local hotel owners for a locations had been considered. court order to have the tanker towed a safe distance from nell, chief executive of the Isle holiday beaches. But he said of Wight County Council, said he would order a halt to further the Government had apparently work if protective booms were tried to withdraw itself from not placed around the tanker.

The move followed intense decision pressure from the Government island.

remain near the beech at San- coofidence in the Government ship to sea for scuttling—was unacceptable. The Trade Department had previously been But earlier, Mr. John Hors-

responsibility for the original decision to tow the vessel to the island.

vessel was holed lest Thursday after a collision with the Royal Navy fleet tanker, St. Geraint.

Mr. Horsnell said he had lost down Bay for pumping to start. action after Ministers feiled to guarantee compensation for possible pollution.

> However, the judge said the best chance of recovering the 1,600 tona of lubricating oil, from the Tarpenbek's eight holds wes to carry out selvage

The pumping operation is expected to take up to 15 days, meking the total operation over three weeks from the time the

When the heating goes off next winter, guess what people will want more of?

Do something now. Later's too late.

Wool clothing has a special, natural warmth. A unique thermal quality that makes it warm to wear when

it's cold. Comfortable when it's mild.

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No car sometimes. Long waits for buses and trains. And a bigger demand for warm clothing.

For everyone concerned in clothing manufacture, or in the selection of workwear, now is the time to check the scale of your wool commitment.

> For retailers, the consumer's preference for wool and the inevitability of a colder winter

calls for an urgent reappraisal of stock levels and merchandising plans.

Do it now. Don't leave it till later. Later is too late.

Pure new wool

For more information about public attitudes to wool, its thermal characteristics, or appropriate sources of supple contact Section E, The International Wool Secretariat, UK, Branch, Wool House, Carlton Gardens, London SWIY

By Lynton McLain

RECRUITMENT to Britain's armed forces has improved markedly since the pay rise of almost 25 per cent in April. But manpower shortages afe still so severe that some front line equipment has been placed on the reserve list.

Six ships, a tenth of the Royal Navy's frigate flect, are to he transferred to the standby squadron within two years. The ships are over 15 years old and will make way for new ships. In the absence of crews to man the whole ficet.

In the event of war, the rivilians who will maintain the ships will also operate them. The operational equipment cuts have also hit the Army. Up to 60 Chieftoin tanks of the Royal Armoured Corps on the Rhine have already been placed to "light preservation."

These may be activated in emergency, but will have to be crewed by men employed on other peacetime iluties. Infantry strength is 10 per cent below requirements, and the Army as a whole is short of 600 officers and 9,400 other

There has been no equipment withdrawal from the Royal Air Force front line. Recruitment in the past six weeks has become more huoyaot, but the service ls still seriously short of pilots. Mr. Francis Pym. Secretary for Defence, told the Society of Conservative Lawyers in London last eight that the manpower difficulties were "ntore serious than we had suspected while in opposition."

#### Exhaust companies in merger By Lisa Wood

TWO COMPANIES in the replacement exhaust and silencer systems market in the and UK and the U.S. have joined forces for an assault on

Tl Silencers, a wholly-owned subsidiary of Tube Investments. signed an agreement yesterday. to merge its wholly-owned retail interests in Europe with those of Midas-International Corporation, a subsidiary of IC Industries, of Chicago, Illinois.

A new company, TI Midas, is to be set up, bringing together the fitting stations of TI Atherton Silencers (Freefit) and those of Alidas Silencers, in Eritain, and of Midas Belgie SA, in Delgium. Retail outleta will called Midas Silencer Centres.

Midas and TI have 46 outlets In Britain and Europe, and the aim is to become, within the leading European exhaust retail chain, chiefly through a franchising system, pionecred by Midas.

Mr. Richard de Camera, president of Midas, said: "We intend to franchise these new Midas silencer centres as soon as possible so that we can huild a dealer network throughout Europe comparable with our American system." In the U.S., Midas has more

than 1,000 franchised centres. It favours franchised, rather than company-owned, establish-

Tl Silencers has welcomed the merger because it will give the company Midas's franchise and marketing expertise. It will also give Tl Silencers an oppormany to market its products that uverall figure showing a

# Health warning over Brazil corned beef

BY CHRISTOPHER PARKES

has given a warning not to use corned hecf to cans embossed with the code BRASIL SIF2 following 25 cases of stapbylococcai food poisoning in six incidents its equipment thoroughly. io Bristol and the North.

Twenty-four of the people affected were taken to hospital hut all are now said to be recovering.

The warning came five weeks after a Ministry of Agriculture veterinary investigator visited the Anglo-Barretos cannery in 5ao Paulo, Brazil, and concluded that the canning equipment was not working satisfactorily.

The Ministry said action was not taken sooner because the brands of suspect cans, but it is early poisoning incidents in understood that about 20 differ-February this year could nut be traced positively to corned beef from freshly-opened cans.

THE HEALTH DEPARTMENT suspended, the Ministry said, movement of suspect cans and because the company—an associate of the Vestey must trade empire-bad uodertaken not to ship any more canned beef or ox tongues until it bad checked

All but one of the six inci-dects have been linked with 6 lb commercial cans of corned beef, but as a precaution consumers have been warned out to eat the contents of 12 ounce and 6 lb cans of corned beef marked with the code or ox tongue packed in

#### Suspect

Importers and Government departments refused to name the ent labels, including some of the best-koown, are involved. W. Weddell, an importer, which is part of the Vestey group, said: "The glossy paper

could give no hint about areas where they might be most

Last year the Health Department issued a similar warning ahout canned corned beef from Brazil and ordered the removal from the market of 3,500 6 lb cans following seven cases of food poisoning.

Importers and traders are now hracing themselves for the ineritable repercussions on sales. Last year corned beef sales in the UK were worth £100m at retail prices. Imports were 64,268 tonnes. of which 17.000 toones came from Brazil.

The product has been enjoying something of a sales boom recently because of the rapid increase in fresh meat prices.

#### 'Highwalks' open

tamilies who had recently eaten the contents of cans from the Anglo-Barretos works.

The cannery's ticenec to export to Eritain has not been the contents of cans from the relevant thing we are walks" on the Tower Bridge, was approved yesterday by a meeting of the City of London Commoo Council at Guildhall

# Plessey still seeking partner for microelectronics venture

BY MAX WILKINSON

SIR: JOHN: CLARK, chairman a 7.9 per cent increase on last employee by 16 per cent. Tals and chief executive of Plessey, said yesterday that the company was still looking for a partner for co-operation in the manufacture of microelectronic con-

it was necessary for Plessey to stay in the manufacture of microelectronics for its own needs. But Plesscy might not wish to continue manufacturing people. the circuits for the open mar-

with General Instrument of the U.S., Plessey was still searching for the solution for its microelectrooics operations. He said: "We do not feel in this, area of very high technology that it is a practical solution to go it alone." It was still possible, be said, that a deal might be agreed with GI. Plessey annunced a prelim-

year's figure with sales of improvement was added to £648m, up 6 per cent compared 16 per cent of sales per emwith last year.

Announcing the company's sidiary, were being brought In the office equipment results for 1978-79, Sir John said under control. The loss last market, which the company has year was £2.5m compared with been studying for some time. £5.1m the previous year and the number of employees had opportunities for business, Sir heeo reduced from 1,868 to 600 Joho said. It appears tha com-

> The long-term future of Gar-The company had also con- received so far.

tinued to reduce excess labour in its telecommunication manufacturing plants and this pro-ress would continue, but at a dreds rather than thousands, Sir John said.

number of employees by 5,000 able opportunity arose. inary pre-tax profit of £46.3m. people and increased sales per Details Page 7. Lex Back Page

ployee in 1977-78 compared with Sir John said the problems the previous year. The average of Garrard, Plessey's loss-making record turntable sub-year were £12.100.

Plessey is continuing to look for pany's strategy still focuses on the development of its digital et. rard was being considered care- private exchange, the PDX, for Hc said that after recent talks fully, said Sir John. which 92 orders have been

On the wider question of strategy for the UK electronics industry, Sir John said be saw no immediate need for no slower rate. Redundancies this rationalisation, Plessey intended year were likely to be in hun- to continue to improve its profitability and to eliminate loas-makers and would be prepared Last year, Plessey reduced its to make acquisitions if a suit-

#### **Britain's consumption** of energy rises 7%

RI JOHN ITOID

for the period from February to than last year. April this year went up by 7.4 per cent, though oil deliveries being built up, and are beginfell by 4.4 per cent in April as ning to benefit from the power stations switched from National Coal Board's ail-out power stations switched from

coal consumption went up by 9 per cent, production and productivity cuntinued to fall. Stocks. especially at power stations sunk to levels much lower than last year.

Total cool production went down in the three months from March to May by 2.3 per cent, with the opencast element in drup of 5.9 per cent, largely due cent of the replacement market. power station stocks stand at the comparable period in 1978.

BRITAIN'S energy consumption 12.4m tonnes, 5.8 tonnes lower

Power station stocks are now production drive. However, the At the same time, although per manshift is down 2.6 per cent in the first five months of this year compared with the same period in 1978—is worrying the NCB.

Over the February to April period. oil consumption increased by 3.6 per cent, though the drop in April is probably the first sign of a

declining trend. Natural gas used was up 14.5 per cent while oll production TI Sileacors has 55 per cent to the had weather. Total stocks from the North Sea over the

#### **Doctors** hit at smoking and drinking

BRITAIN'S DOCTORS yesterday urged the Government to take further steps to discourage smoking and drinking—includ-ing much tighter controls on tobacco and alcohol advertising. The British Medical Associa-

tion's annual representative meeting in Liverpool approved a seven-point plan designed to curb smoking. The plan includes an appeal

to Covernment to introduce a total ban on tobacco advertising higher tohacco prices and the printing of the nicotine content on the packets of tobacco products. The conference delegates also

attacked browers for launching of the original exhaust systems of coal are 3.2m tomors less than period was 17.1m tonnes, more advertising campaigna to pro-

#### FT CONFERENCE - DOMESTIC BANKING

# Call for single EEC finance market

FINANCIAL TIMES REPORTER

At a Financial Times conierence on Dooiestic Banking, Mr. Tugendhat said that greater monetary stability which the European Monetary System should help to bring would provide a more favourable climate for increased cruss-frontier investment which should bring m ils train increased capital

But he warned that greater freedom of capital movement But protection, he said, could must inevitably have certain only lead to a closed outlook consequences for those con-cerned with the prudential aspects of banking. " It is vitally important that greater freedom Priority should not result in less confidence. Our steps towards the wider market must not be dogged by banking tailures that rould have been avoided had there been more effective suner-

Community level. But some extension of cootrol is, I would say, self evidently necessary; as banking goes increasingly international, so must the super-

the European Community were adequate and reasonably unichild for yesterday hy Mr.
Christopher Toucndhat, the
European Commissioner for
Financial Institutions.

The European Commissioner for irrespective of their state of risks posed to the fund. In
origin, in the interests both of this regard, we are considering both the asset pledge and an their depositors."

Mr. J. A. Brooks, general manager of Midland Bank, said and, if so, at what level? that some foreign competitors have been aggressively pursuing UK hanking business and a few have been expanding their consumer eredit activity. The influx of foreign hanks

in the UK posed the question whether the UK bank, should seek to protect their market, which would be contrary to the EEC harmonisation proposals.

Mr. Brooks said the foreign bank "invasion" had been positively beneficial because of the infusion of new ideas as a result of increased competition. In the EEC context it was up to the UK banks to ensure "that harmonisation is based "We at the Commission do "that harmonisation is based not wish to see banking on a growth philosophy and not shackled with a great apparatus on a short-sighted policy of or prudential control at the redistribution of existing banking business."

Mr. William Isaac, director of the U.S. Federal Deposit Insurance Corporation, said the International Banking Act meant that the FDIC would The Commission had so far he insuring deposits of U.S. and contributed his fair share of

GREATER EEC efforts to create was regarded as top priority, engaged in retail or coosumer-a small market for services in "This is the creation of an oriented husiness." profilability at his bank indi-cated that on a pre-tax basis

asset mainteoance requirement -do we need either or both "We are also concerned

availa'oility of financial information on the branch and parent company as well as our ability correctly to information. Examination and reporting requirements and exchanges nf supervisory information necessary to carry out our supervisory responsibilities and to control the risks to our deposit insurance system are also under consideration.

"We need to open channels for the exchange of information at the oank and supervisory levels and explore avenues for hetter co-ordinating our deposit insurance systems. For instance, as a longer-run alternative, we might discuss reciprocal agreements or inter-country guarantres of deposits held in foreign

branches." Mr. C. F. MacNaughtnn, executive vice-president and general manager of domestic banking at Bank of Montreal, said that in spite of the high overheads the consumer stood on his own feet Continental Illinois.

and contributed his fair share of The conference continues to concentrated its efforts oo what branches of foreign banks profits. An analysis of market day at the Dorchester Hotel,

the retail customer base was producing profit of 1.66 per cent on funds employed, while the commercial side of the bank returned 1.76 per cent on funds. But after allowing for the net funds flow from the retail side and pricing It to the commercial users at the average bought money rate the consumer business yielded 3.83 per cent in net interest carnings compared with 3.03 per cent for commercial.

"It would appear our bank would he hetter off if our retail customers used all the funds they generated sloce we earned 5.5 per cent in net interest revenue on our retail assets and only 2.13 per cent on the funds sold to the commercial wing."

Mr. MacNaughton predicted the day was fast approaching

when the tables will turn in the area of banking hours. "It has never ceased to amaze me that banks have been able to force customers to conform to service utilisation at times convenient to the hank.

Other speakers yesterday in-cluded Mr. James L. Smith: senior vice-president at Security Pacific National Bank, Mr. Richard S. Braddock, senior vice-president of consumer services at Citibauk, Mr. Tom Bell, senior industry specialist of IBM UK, and Mr. C. Reed, senior vice-president European division of multinational banking at

#### Heseltine tells councils: Cut staff

By Paul Taylor LOCAL AUTHORITIES must reverse the increase in the number of local government employees, Mr. Michael Heseltine. Environment Secretary,

said yesterday. Quarterly figures on council manpower published yesterday show that the number of employees has exceeded its 1976 and that manpower reductions to the end of 1977

have been "more than com-pletely wiped out." The provisional figures published by the Joini Manpower Watch team show that between March, 1978. and March. 1979. the number of council employees increased by 1.6 per ceot continuing the upward trend that began in 1977.

On March 10 there were 1,725,954 full-time and 941,083

part-time employees in local government — equivalent to 2m full-time employees — a rise of 32,600 full-time equivalents compared with the figure for March last year.

The figures confirm central Government fears that council manning is continuing to increase, and Mr. Heseltine took the opportunity to renew his attack on manpower levels. He said that in the past year, council expenditure and manpower were clearly on "a firm upwards trend." It was essen-tial to halt and reverse that

He gave a warning of the risk of a rates "explosion" next year. He had therefore asked local authorities last month to review their manpower requirements and freeze recruitment

wherever possible. Mr. Heseltine recognised that some councils have managed to control manpower levels. He added that it was essential that all succeeded io doing so.

The Conservative-controlled

Association of County Councils, which employs about 45 per cent of the total local Government manpower, said last night that the latest figures "come as oo surprise" and were the result of policies laid down by the last Government.

Circular

However, it said that councils were examining manpower levels and that "cuts bave actually heen made."

Mr. Heseltine issued

circular outlining planned cuts in council spending vesterday. Although be was seeking to limit the number of official circulars from the Department the Environment, localauthority associations requested the circular because of their concern that is should be the Government, not the associations, that to'al their members to cut expenditure.

However, the Issue of the

he decide to carry out bis threat to penalise local authorities that fail to cut expenditure. The text of the circular will of the river Severn, about 13 miles upstream of Newport and

cause no surprise to the local authorities themselves since it merely repeats the Government's intention to cut the 1979-80 rate-support grant by £300m ● Liverpool is facing a £800,000

cut in its urban aid programme under the past Government's inner-city partnership scheme to bring life back to decaying city centres. That was confirmed by the Department of the Environment on the eve of today's visit to the city hy Mr. Heseltine.

#### Christie's sale worth £393,039

By Antony Thorncroft THERE WAS a good sale of English furniture at Christie's yesterday £393,039. which totalled

A George III satinwood and marquetry cabinet, oo stand, sent for auction by the Earl of Craven, sold for £30,000, plus the 10 per cent huyer's premium. It was bought by Count Pagnatelli, a private collector living in Rome. The marquetry panels on the cabinet well-known Britisb depict abbeys and ruins.

A George III satinwood
"Weekes" secretaire cabinet.
with a clock signed on the dial John Vale, London, fetched £19,000 while a George III giltwood overmantle. in the manner of Thomas Chippendale, made £17,000 and a George III mahogany breakfront library bookcase, £15,000.

A Goya drawing "Gimiendo Y Llorando" sold for £62,000. around double the forecast, at a Sotheby's Old Master Drawings sale yesterday, but perhaps more interesting was the dispersal of a private collection of drawings for £141,640. The drawings had been acquired in recent years and offer good price compari-sons for this market.

For example, a male nude by Tintoretto which sold for £200 in 1951 made £7,200 yesterday and a Carracci study of a standing helmsman appreciated from £100 in 1964 to £6,200. A study of Joseph's dream by Il Bertoja realised £4,200 as against £50 while a head of an old man, credited to the 17th century Bolognese school, was up from half-year, manufacturing invest-£60 to £3,500. The top price was ment fell by slightly less than the £16.000 from a private 1 per cent. English buyer for a study of a

The supermarket squeeze BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

WHY INTERNATIONAL WANTS ANOTHER MULTIPLE

move to acquire Unilever's Mac Market supermarket chain is a lng unprofitably in the past on average of a Mac Market further example of how fierce year as a result of keen competi- store. In areas where the two the High Street price war has been in the past two years. The hattle for a share of the International.

food market, static at present, bas put all grocery retailers under enormous presure to reduce margins and prices to malntain sales volume. Inevitably, of the current year.

International's poor trading However, the performance had led to a top-remains whether tha this has severely depressed profitability and the weakest have, not surprisingly, been the first to suffer.

The small, grocer has been the most vul- ture of Mr. Laurence Hill as grocer has been the most vulture of Mr. Laurence Hill as grocery trade question the nerable, and some estimates chairman. He was replaced by wisdom of International, its own have put the closure rate for Mr. Pascal Ricketts, former comsuch stores at about 20 a week. pany secretary of BAT.
Figures this week from the Mac Market has also been Figures this week from the Mac Market has also been Nielsen market research comgoing through a difficult time in the past few years, mainly, in the past pendent grocers' share of the it appears, because it could not market has continued to fall make up its mind as to its steadily. In the early 1970s, Mac

#### Dominance

INTERNATIONAL

But what the proposed International and Mac Market linkup illustrates is the extent of the pressure applied by the price war on the middle-rank multiple supermarket chains. Research by AGB as well as by Nielsen shows that the chief multiples such as Teaco, J. Sainsbury and Asda, are in-creasing their dominance of the market.

As that dominance increases, so the pressure gradually huilds up on some of the less successful supermarket chains. International and Mac Market rank shout sixth and eighth respectively in the "league table" of market shares, but their com-

International produced a £5,3m week that International had lost more than £2m in the first half

level management reshuffle late independent last year with the sudden depar-

chain with efficient stock con-Recently, however, the chain seems to have adopted a more aggressive discounting approach, with no real chance of discounting Sainsburys' discounting. Man-

would almost certainly bave sparked off a scramble for its 64 stores, which average about 7,500 sq ft in size.

However, the chain's declining fortunes in the price war.

mean a fresh bout of aevere price competition.

That would be good news for

International and Mac Market International has too many are believed to have been trad- small stores: about half the sizo: tion, although only BAT usually groups' stores overlap, mainly. releases separate figures for the South and Midlands, International would be able to up-

In its last full financial year, grade its store sites and sizes. Mac Market is also understood trading loss. BAT disclosed this to have better distribution facilities in some areas, which

would prove useful to Interremains whether that is the best move for International. Some City analysts and others in the management difficulties barely resolved, taking on the head-echea of another alling multiple.

#### Capabilities

It is also somewhat ironic, in that the proposed deal covers two ansuccessful retailing oper-Market built up a good reputa ations of two giant companies, tion as a quality supermarket both of whom are predominantly involved in businesses and administration, other than retailing. In the ly, however, the chain words of one analyst yesterday, to have adopted a more it looks like the "blind leading

the blind." approach, with no real chance of the same success as Tesco's and BAT and its troubled Internative for BAT and its troubled International offshoot remains a bid agement changes have not to take over the stores and belped Mac Market's develop- proven management capabilities

ment.

Before the present price war started, the news that Mac Market was potentially available Mac Market amalgamation proves, against all odds, an outstanding success, the impact for the grocery industry is likely to

them about the fourth largest main multiples in acquiring manufacturers nor retailers are multiple, with just less than 6 per cent of the market share. In the process war. In at would be good news the bined strength would be good news the the housewife, But neither food them acquiring manufacturers nor retailers are multiple, with just less than 6 superstore sites, is likely to welcome e renewed leave International a free hand. entbreak of bostilities.

# Inquiry warning on Severn nuclear plan

BY DAVID FISHLOCK, SCIENCE EDITOR

THE CENTRAL Electricity given planning permission in Generating Board has been warned that Britain's lalest des skewett.
sign of advanced gas-cooled But the sign of advanced gas-cooled But the project was deferred, reactor (AGR) may have to be and affice more than five years submitted to a full-scale public bave elapsed approval is inquiry if it wants to build a deemed to have lapsed. new nuclear station on the river Severn near Bristol.

Mr. David Howell, Energy Secretary, and Mr. Nicholas Edwards, Welsh Secretary, 10 a joint statement last night said they had told Gwent County Council of their deciaion to call in the CEGB's application for planning permission for the proposed Portskewett nuclear sta-

circular might provide ammunition for Mr. Heseltine should he decide to carry and his bound to the 1000m Hayaban Bular tion for which the CEGB was given financial approval this The site is on the Welsh side

> about eight miles from the ceotre of Bristol, a seaport of 600,000 population.

1972 for an AGR station at Port-

Gwent's planning committee is meeting on Monday to consider the statement of the Welsh Office and the Department of Energy, that a public incurry "ai the supreposite. inquiry "at the appropriate time" would deal with the need for a 1.300 MW AGR station at the site. Portskewett is understood to be the proposed site of the next

require. The board said last night that there were no plans to change this to an reactor, such as its proposed demonstration pressurised water reactor, also a 1,300 MW pro-But the board acknowledged

that it had met "fairly fevered" opposition in Wales to its plans, including opposition from coalminers because of its proximity to the proposed new mine at

The CEGB was originally Margam.

#### Gilts remain in favour with life companies

BY ERIC SHORT

LIFE

faroured the gilt-edged market for the majority of their investments according to the current issue of Trade and Industry. Net investment of long term insurance funds in the first quarter of 1979 amounted to £1.07hn—about the same as the previous quarter—of which £597m was lovested in gilts and local authority securities. This was 60 per cent higher

COMPANIES

1973, but lower than in the first quarter of last year. As is the normal pattern.

most of the gilt investment related to long-dated stocks. A

still net amount of £549m was invested in this sector of the gilt market.
Net investment by life companies in equities and other

company securities during the

quarter amounted to £170m-a net investment of £208m in equities and authorised unit trusts and a net disinvestment of £35m in dehentures and £3m in preference shares. A further This was 60 per cent higher £59m represented the net than in the final quarter of investment in land and property, but lower than in the first perty, while a net amount of £65m was invested in loans and

#### Self-service blamed in theft report By Our Consumer Affairs Correspondent AN INDEPENDENT study

group backed by the Conservative Party said yesterday that self-service supermarkets arepartly to blame for an increase in shoplifting.

The study group's report

suggests that the self-service system bas meant that "the pressures applied to customers to acquire merchandise are becoming a social abuse." . The report says that "a new sector of the community ia being drawn into wrong-doing.

and a new type of "quasi-criminal" is emerging — the involuntary shoplifter upon whom the sanctions of the criminal law bear unjustiy." of Mr. Robert Adley, Conservative MP for Christchurch and Lymington, and three magis-

trates — maintain that the present law "fails properly to distinguish the involuntary shoplifter from the deliberate Thus the group suggests that while the deliberate criminal offence of stealing should be

kept, there should also be a civil complaints procedure for "taking goods from a shop without anthority and without making payment." The report says: "In no sense do we condone intended theft from stores; the courts must continue to take vigorous action

wiifully carried out." But the report adds that the group's concern bas been for the forgetful, weak, and the confused. The atudy group's findings, however, are not endorsed by the supermarkets who do not accept that aelf-service is the

where theft is premeditated and

lifting. Last year, more than 217,000 shoplifting offences were reported to the police—an increase of about a fifth on the previous

cause for the increase in shop

"Take it or leave it?" from mortgages. UK bouse purchase Mrs. V. Carter, 27, St. Swithun loans account for £45m of Street. Winchester, Hampshire.

# Optimism over investment

BY DAYID FREUD

CAPITAL investment at the and 7 per cent for coal and start of this year was most huoyant in the manufacture of vehicles, textiles and coal and petroleum products. This was shown in revised

They covered the six months to the end of March. The figures confirmed that investment by maoufacturing industry fell 4 per cent in the first quarter of 1979 to £946m (at 1975 prices, seasonally adjusted) compared with the pre-

rious quarter.

estimates released yesterday by the Department of Industry.

However, the Department was confident that capital investment would he higher in 1979 as a whole than in 1978, in spite of the poor start to the year. First quarter results have been consistently low in recent years. This year, the had winler weather and industrial disruption seriously affected investment. Viewed over the

Capital investment in vehicle boy lying on his hack by manufacturing rose 27 per cent. Carracci. A small chalk sketch. The figures were 11 per cent for by Michelangelo sold for £14,000. textiles, leather and clothing

petroleum products. There was little change in drink and tobacco, chemicals

and the paper, printing and publishing industries. Capital expenditure in the iron and steel industry feil by more than 20 per cent. Other indus by about £270m, in the first tries showed falls of between 4 and 8 per cent

Investment by the distributive and service industries in the first quarter was down £5m to £1.2hn. This was about 21 per cent higher than in the previous three months. Stocks beld by manufacturers, wholesalers and retailers rose

quarter. This was £70m more than provisionally estimated.

CAPITAL SPENDING AND STOCKS OM · (1975 prices, seasonally adjusted)

	Total	ixed Capital Expenditure Manufacturing	Total	Stocks : Manufacturing	Retailing
1977	8,296	3,573	737	442	29
ist	1,988	851	434	235	117
2nd	2,024	879	280	. 97	"12
3rd	2,111	910	-145	-6	-59
4th	2,174	932	168	116 -	33
1978	8,729	3.856	935	597	333
1st	2,150	923	187	38	. 42
2nd	2,186	963	338	272	· 128
3rd	2.213	982	274	175	
4th 1979	2,180	788	143	173	54 89
lsz	2,177	946	270	83	87
		Source: Departman	e of Indust	ry .	

( صلدامند للصل

# MPs demand oil prices statement

Y PHILIP RAWSTORNE

E GOVERNMENT came fer strong pressure in the mmons yesterday to make a l statement next week on impact of the increase in prices.

abour leader, Mr. James laghan, led the ealt for ails of the Government's ley reaction to the OPEC

Vorried Labour, and Tory s also joined in demands improvements in the disrution of luci oil. lany farmers could be leally short of supplies for

harvest period, they larco. lr. Tony Benn, inrmer rgy Secretary, urged the ernment to call a world rgy conference to discuss effects of the OPEC

Margaret Thatcher utd reject any moves ards further deflationary isures by the Western in-

dustrialised nations, he sald. And he demanded assurances that oil companies woold not be allowed to exploit the increase in price at the expense of consumers.

Mr. William Whitelaw, deputising for the Prime Minister, agreed that the price increase was "a very serious matter" for the Western nations.

He said Mr. Benn's views would be conveyed to Mrs. Thatcher at the Tokyo summit where the problems were being discussed. Mr. David Steel, Liberat

leader, protested that Mrs. Thatcher's call for the swift expansion of the nuclear power industry was causing

Every Government department should give priority to practical policies for conserv-Mr. Whitelaw retreted that

proposals for unclear expansion were "commonsense and prudent"—but he agreed that conservation plans were

From the Government backbenebes, Mr. Ray Whitney (C Wycombe) called on Ministers to bring home to the OPEC leaders "the disastrons effects of the remorseless price increases.

They affected the world economy developing nations and were against the long-term interests of the OPEC countries themselves, be said. Mr. Whitelaw sympathised with the mnonting concern among Tory MPs about the price impact.

But he rejected a suggestion from Mr. Ioan Evans (Lab., Aberdare) that the Government should remove ils nwn increase in the duty

Labour MPs eheered, how-

ever, as Mr. Whitelaw was urged by Mr. Paul Bryan (C., Howden) to ensure that Mr. David Howell, Energy Secre-tary, pressed the olt companles to improve supplies to

rural areas. The Texaeo Company had ent supplies to some parts of Yorkshire by 30 per cent, he

"If this position does not improve, larmers will be in a critical position as they come to harvest time." he said.

Mr. Whitelaw said that he knew from his own consti-tueocy that supply problems in country districts were "very serious."

"What are you doing about tt?" Lahonr MPs shouted.
"The Government is detcrmined to ensure that proper supplies of fuet are avail-able, be replied. Mr. Robert Hughes (Lab.,

Aberdeen N.), amid laughter,

suggested that Mr. Whitelaw might have difficulty explain-ing to Mrs. Thateber such an abandonment of "non-inter-vention and free market poli-

"It is simply commonsense and prudent," Mr. Whitelaw responded—and was at once jocularly urged by Labour MPs to take over the leader. ship of the Government.

"I would regard that as a disastrons development," Mr. Whitelaw commented. "I would be very surprised if

that day ever came. Commons concern over the situation was sharply re-asserted, bowever.

Mr. Norman St. John Stevas, Leader of the House, was pressed by Mr. James Callagban and Mr. Eldon Griffiths (C., Bury St. Edmunds) for statements next week from both Mrs. Thatcher and Mr. Howell.

#### Fears over Rhodesian solution

OPPOSITION LEADERS are becoming increasingly appre-benaive that Mrs. Thatcher will miss a vital opportunity to solve the Rhodesia crisls at the Com-monwealth Prime Ministers' conference in Lusaka in early

Pressure will be put on the Government to arrange a Commons dehate on Southern Africa before the end of July, to discover the Cabinet's thinking on Rhodesia, prior to the Lusaka meeting.

But at present, the belief is that Mrs. Thatcher will pursue her own path and urge full recognition for the adminis-

Labour leaders fear this could

The major opportunity pre-sented by the Lusaka confer-

if no solution is found at Lusaka. Mrs. Thatcher will have little alternative but to lift sanctions against Rhodesia. when they come up for renewal

A considerable number of Tory MPs are known to favour Opposition belp.

There is also a belief that if the British Government decided to lift sanctions, President Carter would be forced to accept the decision against his hetter judgment.

He has ton many international and dnmestic problems to con-tinue to hold out on Rhodesia nnce the British Government

THE GOVERNMENT Is considering making a reference to support vessel.

tion and Production, operators for the North Sea partnership of the Shell and Esso companies. has angered unions who see it as sn opportunity for Britain to become world leaders in this area of high marine technology.

At its conference in Llandudno, the Confederation of Unions demanded that the Government should intervene and reverse the order.

Mr. John Chalmers, boilermakers' general secretary, and ebairman of the Confederation's

there was "aomething quite "stand and fight" Government sinister" about the deal giving plans for the shipbuilding a Finnish yard the job of build industry. He said the support vessel decision was "a suntle, deliberate folly " by the Government and he rejected statements that there was no subsidy involved in the £40m Finnish

> £46m and British workers would have to "take the skin off their back and work for nothing " compete with the Finnlsh

belp think that the Sbell coo-tract is part and parcet of the Finance Union said yesterday Anglo-Finnish offset deal under | that it would still launch strikes which we shall sell jet training on July 9 and 10 in computer planes to Finland" said Mr. centres unless the dispute was

# **NUR** turns down fixed target of £65 basic

BRITAIN'S LARGEST rail cent to reach the minimum. union yesterday refused to set
s fixed target of a basic wage of
terminal carriers depot
worker and a Freightliners
terminal attendant—some of
increase of more than 30 per
whom are NUR members increase of more than 30 per cent - in order to give union negotiators flexibility to obtain 8.7 per cent to bring them to higher rises for some grades. the £65 minimum. higher rises for some grades.
Detegates at the annual con-

ference of the National Union of Railwaymen at Paignton voted 47-30 to reject the £65 tsrget with corresponding increases for higher grades.

Mr. Sid Weighell, general sectary, said that with rising inthe sense in that-" fistion and rising oil prices it

If negotiators were ploned down a rate of pay which nobody now knew would be was imperative that negotiators was imperative that he should not be saddled with a predetermined minimum rate for the settlement date of April next year. He said a raitman's basic rate of £48.95 including supplements cent to resch a £65 minimum. A National Bus Company conduc-

Pilkington talks fail

PAY TALKS for process intends reducing the lahour workers at the Pilkington glass force at its St. Helens opera-

by negotiators and by officials ing the industry by refusing to on the union's Pilkington make significant proposals on

the company had also refused to lift weekly earnings of a middle

make any significant move ranking process worker on a towards reducing hours. typical bonus and working five

Negotiators have told the com- hours overtime from about £84

pany that process workers will to £95. Earnings for a top-grade

not operate a float process process worker on a continuous plant being constructed unless three-shift pattern would rise Pilkington agrees to cut hours. from about £119 to £137, includ-

A GOVERNMENT request to that it should not be taken as the Institution of Professional a precedent. The offers for the

hours.

company bave broken down tions from 7,118 to 5,729.

after 'final offer'

tor, slso represented by the NUR, would have to have rises of 37.4 per cent and a grade 3 lcague.' maintenance worker 36.7 per

BY NICK GARNETT, LABOUR STAFF

following rejection of an overall

15 per cent offer which the

The executive of the General

and Municipal Workers Union

which represents the \$.000

process workers will be asked

by negotiators next week to approve a ballot of the member-

ship to decide how the dispute

The offer has been rejected

The union said yesterday that

BY GARETH GRIFFITHS

the Institution of Professional Civil Servants to take its pay

claim to independent arbitra-

tion, was turned down yester-day by members of the union's

The request came at a meet-

ing between the union executive

and Mr. Paul Channon, Minister

of State for the Civil Service.

The mood of the meeting was

described as friendly, but Mr. Channon attacked the union

after the meeting for oot agree-

ing to go to the Civil Service arbitration tribunal.

He said the offer to 21,000

FINANCIAL TIMES REPORTER

cent and the only condition was the Institution's case.

Shipping deal 'sinister'

state scientists averaged 26 per

national executive.

The union says the company ing bonua.

Civil servants reject

plea for arbitration

company says is final.

should be pursued.

industrial committee.

would only need increases of Mr. Weighelt told delegates:
"With inflation already pre-

dicted to be over 20 per cent you are insisting that we take less than 9 per cent for our National Carriers people it you carry a £65 mig/mu. Where is

adequate in April next year a the union's 180,000 members. Mr. Weighell repeated his Intention, though, to keep pace with other powerful industrial groups. "If the miners and the power workers go through the roof then we are in the same

He also warned that the day.

the company said that with the

float plant, also being built at

Si, Helens, the net loss of jobs

Mr. David Warburton, the

union's national officer, said Pil-

kington's response on pay

"reflects badly on a company

which has built its success on a

great deal of loyalty from wor-kers which they have now lost."

The company was also jeopardis-

The company's offer would

50,000 Professional and Tccbno-

logy grade staff averaged from 151 per cent to 221 per cent.

The Civil Service Department

has costed both deals as adding

an extra £98m a year to the pay

bill. Mr. Channon said the

£80m a year on top of that

Mr. Bill McCall, general secretary of the IPCS, said the

responsibility for settling the dispute now firmly rested with

tthe Minister and it was up to

him to recognise the micrils of

IPCS claim would mean another

would be 280.

stage" to put a limit on the Rait vacancies would not be

union would be forced "at some

"If our people continue to be mesmerised by a thick pay packet generated by long over-time they will never come to face the reality of a low basic

The independent Railway Staff National Tribunal yester-day recommended that British Rall and the three rall unions should set up a study on the implications of moving towards shorter working week in the

industry.
The tribunal, chaired by Lord McCarthy, lecturer in industrial relations at Nuffield College, Oxford, was replying to claims from the NUR and the white-collar Transport Salarled Staffs' Association for a 35-hour week and from the train drivers' union ASLEF for a 36-hour week based on an eight-hour

# Post Office may lose monopoly

I JOHN HUNT, PARLIAMENTARY CORRESPONDENT

given on Monday by Sir situation in the Post Office 'so that commercial and private business is not interrupted." ces" offered by the Post and made it clear that he not rule out legislation to ve the State monopoly for

sterday, Mr. St. John Stevas demanded the removal of monopoly as one way of ng with the present disrup-of mail services caused by age of staff and industrial

at the larger post offices but only one week's at the sub-post offices.

He said that Sir Keith did

Richard Evans, Lobby Editor

GEOFFREY HOWE,

accilor, is to be asked to

ment next week on the

ngth of sterling and the

aging effect this is having

umont-Dark (C. Scily ) has tabled two related

stinus to the Chancellor

written answer on July 2.

he tirst asks for his views

the continued strength of

ling and what plans be

tn help badly-bit orters, and the second

tes to exchange control

llations and the need to get

better balance between

estments in the UK and

lr. Beanmoni-Dark said

lerday that the present

ving to be very coslly to

orters and bls questions

e aimed at discovering ther the Government had

proposals for meeting the

E FINANCE BILL goes

) its line-by-line committee ge for three days in the

nmons next week in an

empt to push it through liament by the third week July. A lourth day bas

n set aside on Monday

ek and Ministers hope to aptete its committee stage

VIII Opposition agreement.

the committee stage is ng taken on the floor of

House Instead of partly in

The Liberals are to press

three major changes— lexation of tax thresholds

il excise duties; a move vards tax eredits whereby tax system paid out each

nefits as well as collecting

; and a positive single rate 12! per cent VAT rather

an the Government's 15 per

nmillee "upstairs."

ance debate

er next week.

rseas.

terling

trength

ueried

IFICATION of the Post result of industrial action by Sir William Barlaw, full back-

rnment. Mr. Norman St.

Stevas, Leader of the e, told the Commons yese, told the Commons yesof the Oppositioo, who saked for a nearly Commons statement by Waith about the current business is not interrupted."

The Leader of the House asured him that the Government was very concerned at recent developments. He would pass the suggestion on to Sir Keith. nswering Conservative MPs

At the moment, said the
Leader of the House, there was several weeks' supply of stsinps at the larger post offices but

y of postage stamps as a giving the Post Office chairman. Tokyo Summit.

BY ELINOR GOODMAN, LOBBY STAFF

that would completely under-mine Britain's existing relation-As with

other Left-wingers on the his Bill in the contexparty's executive, would return Labour Party policy.

The Bill, co-sponsored by five

all legislative powers from the

enable Westminster MPs to

amend or repeal laws passed in

As auch, it would conflict

not constitute a threat in take Britain oul of the Cummunity.

BY IVOR OWEN

None of the sponsors seriously

on the Labour Front Beach to servatives, adopt a more hostile attitude. In public

Labour's national executive and 1981.

MP for Liverpool, Wallon, that

aervicemen should be allowed

"I think it would bring

many more problems than it would solve." Mr. Keith Speed.

Under-Secretary fur the Royal

He acknowledged, however,

that Mr. Heffer will have a

further apportunity to pursue

the Commons last night.

Navy, declared.

former Labour Energy Secre- Optimistically, given their posi-

tary, and one of the party's must tion on the Left of the Labour

determined opponents of the Party, the sponsors hope that it EEC, published a Bill yesterday will be supported by MPs from

ship with the European Com-munity. Com-retiring to the Labour back

EEC to the UK Parliament and annual conference may have

directly with the Treaty of Labour Government ever Rome, although Mr. Benn actively pursued with any insisted that his proposals did enthusiasm.

expects the Bill to be dehated, as calling for constructive let alone get through the House. in the foresecable inture. Instead they seem to be using show that it has something more

their own trade uning was sailors or marines he had rejected by the Government in spoken to since taking office had

by Sir Keith—" it has not been ruled out but on the other hand it has not been ruled in."

He was answering a question from Mr. David Bevan (C., Ysrdley) who suggested that if there were no stamps for sale then the Government should allow letters and parcels to be nosted free of charge.

Alternatively, he proposed, the Government should take away the Post Office's Licensing monopoly so that other people could take over postal deliveries to ensure that this nation survives."

The subject also cropped up age of staff and industrial

He said that Sir Keith did in questions to Mr. William not have the power to interfere in the day in day running of was deputising for the Prime the Post Office but be was Minister while she is at the

Benn in Left-wing project to

cut EEC power over Britain

MR. Anthony Wedgwood Benn, for discussion about Europe, started promoting the idea of a

henches, Mr. Benn presented

his Bill in the context of agreed

endorsed the idea of amending

the European Communities Act

on the lines laid down in the Bill, it is not a policy that the

however, that the Tories have

stolen all Labour's clothes as far

it as a way of putting pressure in offer on Europe than the Con- munity. Nevertheless, it must

towards Community modership. Bonn is using the factics he behave in such a way without The idea is to use it as a focus employed in 1972 when he first taking punitive action.

A SUGGESTION by Mr. Eric Force and Naval Discipline Services, which, for practical Heffer, a Left-wing number of Acts before their renewal in purposes, would simost cer-

The Minister, a former naval

officer, said that none of the

hinted that they wanted trade

Under existing arrangements

they were able in join trade unions individually and were eocouraged to do so when that

would help them to get a job

the idea when a Select Coor different from trade union operated on similar lines to the mittee conducts the quioquennial review of the Army, Air and working conditions in the not affiliated to the TUC.

That, however, was totally

when leaving the Service.

unian membership.

Forces' union appeal rejected

In publishing the Bill. Mr.

Mr. Benn apparently feels. House of Commons.

However, although the party's

EFICATION of the Post result of industrial action by a monopoly is one of the ins being considered by the riment. Mr. Norman St.

Stevas, Leader of the St. Concern was also expressed by Mr. James Callaghan, leader

In view of the haphazard way

sssured MPs that Sir Keith was in close touch with Sir William

Northampton S.) urged the Government to call in the chairmen of the various nationalised industries to remind them they were there to serve the public.

At the moment, he said, the public was "pretty fed up" with

the second- and first-class services were operating, he thought the first-class service should be suspended at least temporarily. Mr. Whitelaw agreed that it

was a very serious matter and Barlow about It. Mr. Micbael Mnrris (Con.,

is probably too late to get this

particular proposal debated at

this year's conference, its spon-sors will doubtless use the occa-

As well as empowering the

laws passed by the EEC that

apply directly to the UK, the Bill would allow European

hy the British courts if they

onflicted with decisions of the

The fifth elause of the Bill

specifies that nothing in the

be doubtful whether other FEC

members would allow Britain to

tainly mean the introduction of

Mr. Heffer, accepting that the

were established

foreign members of NATO. He was not seeking to under-

mine the Forces but trying in

bring them into line with modern practice.

thought might be considered was a Forces trade union

A possibility that Mr. Heffer

in

idea of a trade union for the Forces was likely to make Tory MPs go "berserk," said that

the closed shop.

sion to seek support for it.

tration of Bishop Muzorewa.

be highly devisive, and could split the Commonwealth Heads into two factions. They would prefer Mrs. Thatcher to seek the advice of the Commonwealth leaders, many of whom are very experienced on the Rhodesia

ence is seen as the prospect of getting all the protagonists and interested parties together-inreferendum on EEC membercluding the leaders of the ship. He will try to get the sup- Patriotic Front-in an attempt port of constituency associations to seek a more widely acceptable for his proposals in the hope solution. sure on their MPs. Although it

in November.

House of Commons to repeal all withdrawal of sanctions and the only way the Government could maintain them would be to aeek court decisions to be overturned Labour leaders are more than

willing to help ensure sanctions are relained until a more acceptable solution is found to the Rhodesia crisis but they realise that Mrs. Thatcher would be unlikely to wish to Act should be held to consti-tute a formal withdrawal of the split her owo party so badly. UK from the European Com-

had accepted the result of the recent elections.

#### LPG inquiry considered

150 grammes capacity.

ing a North Sea emergency the Monopolies and Mergers Commission of the supply in the The order from Shell Explora-UK of Liquefied Petroleum Gas

in containers of not more than 50kg capacity and not less than Mrs. Sally Oppenhelm, Minister for Coosumer Affairs, said in a written answer last night that she hopes to make a state-Shipbuilding and Engineering BY JOHN BARRETT

THE LEADER of Britsin's ship-shipbuilding committee, warned yard workers yesterday said Mrs. Thatcher the unioos would

Chalmers.

#### **Miners** fear more closures

By Christian Tyler, Labour Editor

FEARS of an accelerated programme of pit clusures backed by the Conservative Government are likely to dominate the annual conference of the National Union of Mineworkers, opening in Jersey next week.

Although the Government is expected to mainlain the level of new investment in the coal Industry of about £500m a year until the early 1980s, the NUM is concerned that the bulk of the expenditure will be directed towards productive pies and new cosl fields like Selby in Yorksbire and the Valc of Belvoir

in Notts. If the investment programme were to he channelled in this ; way, it would starve uncennomic pits in areas like Durham. Northumberland, Kent, parts of Scotland and South Wales, with the loss of many thuusaods of

jobs, the union says.

An augury of the new Government's policy was provided yesterday when the National Coal Board told the union that it would go ahead with the closure nf Deep Duffryn in South Walcs

despite fierce local resistance. South Wales miners will be Inhbying today's meeting of the union executive in dersey to demand a strike hallot in sup-port of Deep Duffryn which is seen locally as a test case for helieved to be threatened with closure.

The NCB rejected the union's appeal to keep the pit open. Deep Duffryn had lost £7m nycr the last five years and had produced no coal since May. because of overwhelming gco-

logical difficulties."
It said the pit would he closed as aoon as possible and the 440 miners offered other jobs in the locality.

Today's executive could well accede to the South Wales mioers' request. The union has policy which dictates that if the appeal procedure over closure of a pit on comomic ground is exhausted it can call national ballot of the

The NUM executive has asked meeting with Mr. David Howell, Energy Secretary, to ascertain the Government's attitude, Meanwhile, Mr. John Moore, Minister responsible for the enal industry, will be attending next week's conference as an observer.

#### Conciliation in bank dispute

THE PAY dispute between Mid-

land Bank and its computer staff is being taken to cuncillation after the bank invoked concilia-"There is something quite tion procedures included in its sinister about it all. I cannot union negotiating agreements.

#### WIMBLEDON

#### Veteran gives Connors a hard game astonishing seven.

mbledon champion, reached · third round of this year's ampunships by defeating arty Riessen, the American teran, 6—7, 6—3, 7—6, 6—0 just under three hours on ntre Court.

Riessen is 27 and was a ceptance of the inevitable then took the set after 50 sakened him in the fourth set, minules as Connors lobbed out. : fully exploited the uncertainis nf Compurs' game,

merican number one to four as was sprittely enough yesters in a for 5-1 hefore Reissen mounted terday, making the total an Pecci moves on Pecci, a finalist of Australia,

twice broken his service. Spectacular leaps and dives

could not disguise the fact that Connors was making a tot of mistakes as well as having much the worse of the luck in the matter of net cords. When the Spirited opening set went to a tie-break. arter-finalist at Wimbledon as Riessen was the steadier. He ng, ago as, 1985. But until a reached set point when Connors mhination of tiredness and put a forehand into the net and

The tall Riessen has always on target. He broke Riessen in wed a tough opponent for the fifth game and took the set Dinors, two years ago at in just over half an hour with sible. Imbledon he also took lhe two stunning back hand passes. The third set saw Connors 18. He now concentrales take a firm grip on the match, ainly on over-35 tournaments. He mayed into a 4-1 lead with ad was spritely enough yester- his fourth ace and had a point

THOUGH STILL playing the first set. Connors had to a spirited and spectacular new way short of his devastate the first set. Connors had to a spirited and spectacular nut out all the stups to repair recovery which forced Connors the damage after Riessen had into his third tie-break of the ebampionships so far.

Clearly convinced that this was not to be his day, Reissen subsided rapidly after that. He dld not even bother to attempt to return nnc of his opponent's services and Connors reeled off In the second set Connor's six successive games, for a vicpassing shots began to zero in tory which, in the end, was a good deal more easily achieved than had originally looked pos-

Though Connors had come

young South African, two more

The sixth seed, Guillermo Vilas, who "won" Wimbledon in the recently-released tennis championships so far.

This time, however, Connors film, Players, once more falled to the demands of the occasion, uvercoming a 3—2 deficit to take it by 7—5.

Chirited

in the recently-released tennis film, Players, once more falled to trepeat the feat in real life going out to Kim Wilkinson, the highly promising 19-year-old American left-hander 5—7. 6—2. 6—1, 7—6 after having led 5—2 in the fourth set. in the fourth set.

Gilles Moretton, the giant Frenchman, also produced a of Britain, of the chance to cross swords with Oranles as a means of assessing form for the Davis Cuptie between Britain and through safely to a third-round Spain at Eastbourne in two meeting with Johan Kriek, the weeks.

the French championships and at Queen's Club and sceded cighth here, easily thrust aside the challenge of Phil Dent, of Australia, 6-4, 7-6, 6-3 taking the second-set tie break

Debbie Jevans, 19, from Essex, who is ranked only 18th among British women, produced a fine performance to defeat Iris Riedl of Germany 6—1, 3—6, 6—1 and become the only other bome competitor to join Virginia Wade in the third round. Miss second-round sensation when he knocked out the 13th seed. Wade in the third round. Miss Manuel Orantes. 7—6, 3—6. Jevans was in spirited form in 16 Jevans was in spirited form in 17 Jevans was in spirited form in 18 Jevans was in spirited form minutes against a girl who bad beaten Miss Wade in Rome recently, .

The hopes of Belinda Thompson, of Cheshire, of joining them were snuffed out after a Anid the weller of falling bright start when she fell 5-7 men's seeds were toppled yes seeds the dependable Victor 6-3, 6-0 in Cynthia Doener

# TUC's attack on 'biased' media

FINANCIAL TIMES REPORTER

THE PRESS, radio and television were accused yesterday of anti-union bias and dis-tortion in reporting last winter's round of strikes. The claim comes from a working group on the media, set up by the TUC general council.

During January and February—the time of the lorry drivers, tanker drivers, rail, hospital, ambulance and local anthority strikes—trade unions and trade unionists were subjected to an unending series of attacks and ahuses, which exceeded the experiences and expectations of even the most seasoned media watchers," said the report

tively-operated code of conduct aimed at restricting the impact of the strikes on families, patients, and essential supplies and services, says the report.

"At limes it seemed as though the

Little attention was paid to an effect

country was at war with trade uninnists.

wbo, as it was all too rarely pointed ont, form more than hall the working popula-

The report says many trade unionists have long believed the mass media is biased It criticises the restricted ownership of

the Press by large, often multi-national companies, claims that broadcasting is "establishment orientated," and that 70 per cent of national dailies now have a "pro-Conservative, anti-trade-union policy." The report says facts were mixed with comment in news stories and the effect nn public opinion by mid-February was an

almost universal cry for trade union reform. What was meant by reform was clearly nol strengthening. Many people calling fur the power of the unions to he curried had little or no experience of the dispules taking place. Their sole source of information was the media," says the report.

# Foreign investors eye the U.S. market

Estate Rush is apparently Dillon, foreign purchases of gathering pace, despite mounting controversy within the U.S. over the growing numbers of foreign investors who are buying up properly from Long tional and individual investors Island to Los Angeles.

But as everyone from the U.S. Congress down walches the spread of overseas participation n American real estate, over 100 potential major investors from throughout Europe and the Middle East have into week heen inceting in London to see what America has to offer.

A two-day cunference at the Cafe Royal has, in the week in have also been quick to apprewhich the National Coal Buard's pension funds succeeded in its 267m hid for Confinental Illinois Properties of California, provided other would-he inveslurs with an opportunity to hear from leading U.S. real estate specialists what prospects are like acrass the Allantic.

The location and evaluation of suitable investment opportunities, the legal aspects of U.S. real estate, tax habilities and financing procedures have all figured prominently in the type of seminar which is hardly likely to allay American lears that a sizeable chunk of the country's best real estate is due to fall into foreign hands,

According to Mr. Ben Lambert, conference chairman

American property are iocreasing, with virtually every type of

Historically, overseas instituhave concentrated primarily on income-producing properties— place to invest safely. including uffices, shops, botels they are moving into development transactions, unimproved land, part-interest purchases and huying property companies outright.

often better than in their own market. country, overseas investors ciate that the declining value of the dollar is creating significant foreign exchange bargains. They can frequently achieve tax body's guess. There are many benefits through real estate purdiffering opinions on what is chase in a country where taxation policies are not in any case onerous and are most unlikely to be discriminatory.

Foreigo buyers are sometimes to the U.S. by the accepted use of leverage, in con-trast to the situation usually found in other markets where long-term mortgage financing can seldom be found for real

planning controls and restrictions (you can still hulld the likely extent of future virtually what you like where apposition to the spread of you like in major cities like foreign investment in real and chief executive of the Houston) implying fewer desestate—a concern which has perties foreign lovestors are foreign investment in their property division of U.S. velopment opportunities and already led to new legislation raising the costs for U.S. country.

S, market seem clear.

Underneath all these conrepresent the last bastion of social, pulitical and economic freedom, as well as the best

Mr. Lambert's assertion at the and agricultural land. Now Cafe Royal that the U.S. also appears to be less vulnerable than other nations to major economic disruptions may, however, have touched on the biggest single imponderable With acticipated returns now hovering over the America o

Whether or not the U.S .-which is now as jittery about inflation as it is enraged about the long petrol queues-can avoid a recession is still any. in store,

Mr. Lambert says that there is a widespread perception amung foreign investors that, in the longer run, the U.S. is still probably more determined and hetter equipped than most to bring inflation under control, a view which sume potential investors might not so readily accept. The U.S. property market has, after all, had its share of With the trend towards more slumps in the past, lanning controls and restriction of the trend to the trend towards more slumps in the past.

buyers.

property heing considered for siderations lies the implicit bettural Foreign Investment acquisition.

Siderations lies the implicit bettural Foreign Investment Disclusure Act was a direct citizen, government nt company remains -or any U.S. company in which an overseas investor holds more Whether aoy further action is

then taken remalas to be seen.

Supporters of the move in land had created an artificially high market in which American investors could not suggested, could pay premiums because of favourable tax treatment offered to non-residents and that the process could eventually permit foreign dominance or control of U.S. foreigners are precluded by law from owning farms.

properties, the attractions of the cultural land by overseas future activities is likely to be wayers, kept by a fairly vociferous and putentially powerful lobby.

The view of many observers, Disclusure Act was a direct however, is that despite all the result of mnunting criticism of publicity surrounding the influx foreign investment in farmland of foreign money, overseas and it requires any foreign ownership of U.S. real estate extremely small. Neither does it seem ever likely to dominate-if for no than a 5 per cent interest- other reason than the ecormous to disclose full details of their real estate investment appetite holdings. In this way the of U.S. individuals and, more Government bopes to determine recently, of institutions which the full extent of foreign in many cases have been slow penetration in the market to enter the property lovestment market.

What is clear is that U.S. real estate is not necessarily an easy claimed that foreign investment option for the foreigo investor and that the market, which is largely unregulated and offers little governmental protection compete. Overseas buyers, they to buyers, can throw up a range of complexities quite capable of over normal market values exposing the newcomers' inexperience in the most palnful

of ways.

As Mr. Donald Bodel, of Richard Ellis, said in Atlanta last week: "We have shown investors food supplies. In a small hut streams of would-be investors growing number of states, around the market and a lot of them go home shaking their from owning farms.

No one is suggesting that mental differences which exist similar legislation is about to here and which have to be hit other forms of real estate thoroughly understood before investment in the U.S. although one penov is spent." That, at it is accepted that by hidding least, should be good news to up prices in many prime pro- those Americans opposed to

#### IN BRIEF

• AVP Industries has sold the freehold of 29,000 sq ft of warehousing at the former United Blscuits factory. Horton, Middlesex, for more than £300,000 to Ropner Holdings. Agent for AVP was John D. Wood.

 British Rail has leased 30.000 sq ft of offices on two sites at Tavistock Place, London, from Hearts of Oak Benefit Society. The sites include 19,000 sq ft of garaging. Rental is about £331,500

• The United Fricodly Insurance Company has bought Valzan House, Camberley. Snrrey. for more than £500,000. The 7,000 sq ft office building is let for £35,000 a to S.G. Inspection year Services.

• Hans House Group has arranged more than £500,000 forward financing for a shop and office refurbishment at High Street, Sevenoaks, by S.I. Pension Trustees. The site has been pre-let to the Bejam retail group and a local firm of solicitors.

· Southern Electricity Board has sold 8,100 sq ft of shops and offices at Fleet Street, Swindon, for £100,000 to Baker Antomatics. Debenham Tewson and Chinoocks acted for the board. Loveday and Loveday acted for Baker. · United States Lines has

leased 9,700 sq ft of offices on the ninth floor of Bowater Hoose. Knightsbridge, London. Rental is thought to

for Industry

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#### Atlanta works hard to restore its image

William T. Sherman still rouses will outstrip supply. growing reputation as an international business ecoure and to
restore lls image as an attractive "Sun Belt." restore lis image as an attractive real estate market.

Io the last 2! years, a dozen last year, is concentrating ou an foreign banks have opened or area which includes the been granted licences to Carolinas, Georgia, Florida and operate in one of the "Sun Texas, although it also has a persent in one of the "Sun Texas, although it also has a Belt's "most dynamic population with Shackleton of Taylor hand range of the Atlanta says the centres, and a broad range of legal, financial and generalbusiness services are expanding aloogside.

But Atlanta is still smarting from the last recession in the early 1970s, which left it badly overbuilt. Monuments to the

perimeter highway has specula-tive building in progress and acquired in Visalia for develop-all the predictions suggest that ment.

ATLANTA, WHERE General demand for office space this year

more public antagonism than. Atlanta is the base for the any amount of foreign real U.S. subsidiary of Taying estate investment, is working Woodrow Proporty, which is hard to capitalise on its fast- slowly but steadily building up

The company, formed early last year, is concentrating on an

Woodrow in Atlanta says the company is initially in the market for investments of up to around \$2m a time, either on ils own or in joint-venture deals. The next phase of the

expansion, coming soon, will see a move into blager deals. has boom remain, like the still Mr. Shackleton has no doubt vacant Peachtree Summit build that any recession will prove lng and the empty office space in nothing more than a hiccup to the breathtaking Omni Interthe real estate sector. "Places attempt at inner-urban regeneration which went amiss." The company has acquired a 40.000 sq ft shopping in Lexington. South But now much of the city's centre in Lexington, South absorbed—more than 3m sq ft finish a shopping centre—75 per in 1978—and many new cent pre-let in Rome, Georgia, development plans inot all of Other projects include a small them can be expected to get off. office park in Columbia, South the ground) have recently been Carolina (half pre-let) and a announced. Nearly every major specialty shopping centre in office park along north Atlanta's Sarasota, Florida. In California,

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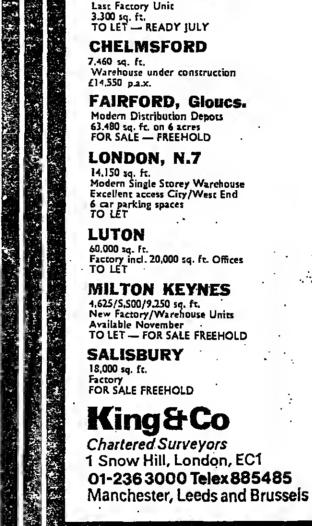
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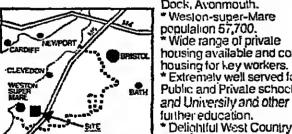
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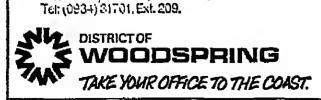
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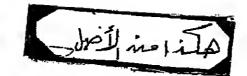
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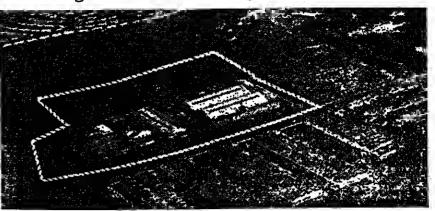
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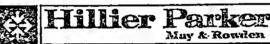
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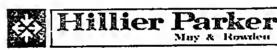
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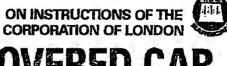
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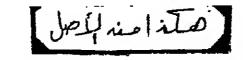
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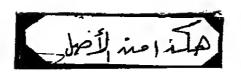
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# The change is as good as a rest.

Should one drive a BMW 7 Series it will be quickly appreciated that large and luxurious cars can also be a great pleasure to drive. Luxury has not been allowed to go so far as to isolate the driver from the road. In the 7 Series refinement and performance have been delicately matched to offer the driver a rare delight. It is not for those who wish to be cocooned in soporific splendour. It is for those who demand space and refinement with character and purpose.

and purpose.
The discreet design of the BMW 7 Series reflects the solid quality found throughout. It is that certain kind of quality that one takes pride in. Inside there's a sense of spaciousness, and the seats and ventilation create an environment of relaxed

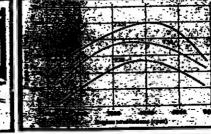
The 7 Series cars offer three different engine capacities – 2.8, 3.0 and 3.3 litres, the latter with fuel injection. The 'straight six' configuration has often been said to be the most refined and smooth running of engines. In the big BMWs the sophisticated design produces excellent power to litre ratios as well. This, of course, is vital for automatic transmission. However it also makes manual driving a very refreshing experience. The

four speed gearbox is a pleasure to use and encourages a very positive and enjoyable style of driving. Whilst acceleration through the gears is extremely quick, each gear, due to the wide torque band of the engine, gives a powerful and effortless 'long-leggedness'

The overall concept of refined driving appeal in the 7 Series is resolved in the chassis and suspension. There is no reason why a large car should not be able to have agile handling as well as



Double pivot front suspension with the small positive roll radius gives improved straight line stability at high speed.



Torque graph shows that a wide, flat band of power is available to enhance effortless



an ease of comfort. The chassis offers handling incomparable in this size of car. To this is also added BMW's speed-related power steering – as the engine speed increases power assistance diminishes so one has maximum assistance for parking, and decreasing assistance as speed increases, for greater road 'feel'.

Drive a BMW 7 Series and one realizes that it offers something unique and satisfying—luxury with complete performance. Indeed in every sense the change to a BMW 7 Series is, especially for those who have become a little weary of driving, as good as a rest.

Insurance Our new exclusive 'Sureplan' Insurance Scheme guarantees, under normal circumstances, to quote, offer competitive rates and fast approval of accident repair estimates. Your local BMW Centre will be happy to introduce you to the scheme.

Leasing Your local BMW Centre can also provide comprehensive advice and assistance on leasing arrangements for your BMW.

Prices

728-£10,499, 728A-£10,998, 730-£12,399, 730A-£12,898, 733i-£13,599, 733iA-£14,098.

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These higher levels of opera-

tion mean that the furnaces

can handlo high temperature refractory materials such as aircraft engine and nuclear

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the glass-to-metal seals found in electronics and instrumenta-

Both furnaces are supplied

with a modular control system

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needs, and heating can take

place under vacuum, under a single gas charge, or under a

continuously purged gas charge at about 0.2 torr.

Safer wires

for welders

wires which do not require a carbon dioxide gas soleld, have been developed by Corewire, Asb Vale, Aldershot, Hants (0252 517766).

CS air-bardening wires come in three types which can be used in the open where the gas shield would be blown away, or

phase shielding.
One type is said to be sultable for heavy buildup and can

be finished with harder wires for track lines, bulldozer blades,

etc. Another resists rolling

loads abrasion and impact and

is for punches, sheer blades,

range is for chutes, scraper

blades, sand and gravel pumps,

bucket lids, etc.

tion applications.

**STOCKTAKING** 

# Collecting the data. from the shelves

and transmission unit from appropriate number and press-British Brown Boveri sends ing the transmil button. A high information at about 12 times security transmission code is Telex speed over phone lines used and the central receiver

eapture easy in areas from supermarkets to warehouses, is once again stored and a signal Sending and collection equip-tis sent to the transmission end tu confirm to the operator there gram and includes an acoustic coupler which fits on to the telephone mouthpiece.

that the data is secure. Subsequently, the information can be transferred to floppy disc or

spot to be keyed in to the crose the portable terminal's semicanductor memeory. Up to 330 lines of 12 characters each can be stored before transmission, and each entry is shown on a liquid crystal display for checking before it is committed to memory. Data can also he recalled for checking if necessary. The meanary is nun-velatile that last when the unit is switched off).

A useful facility is that the first line of data is semipermanent, remaining even the remainder is erased, OBJECTS of virtually any size allowing the retention of, say, u salesman's name.

tt is also pussible to incorparate a checking program to prevent operators from entering incaningless or non-required information.

Options include connection of a light pen for taking data from bar-ended labels, and a portable printer that allows the entire contents of the portable unit's memory to be printed out. A salesman could then keep a

Sending the data involves no

HAND HELD, a data collection acoustic coupler, dialling the

for central storage, ready for validates the incoming data feeding to a computer system.

Memoport will make data giving high integrity, even with interference on the phone line. At the receiving end the data

A simple keyboard allows magnetic tape and dealt with by information such as sates the computer. information such as sates the computer.
orders, instrument readings or any other data collected on the mission of the data does not memory-it can be sent again if

> More from Glen House, Stag Place. London SW1E 5AH (01-828 9422).

# Will detect any object

moving at distances up to 600 mm can be detected with a long range infra-red proximity switch put on the market by Calvin Instruments, Church Road, New-port, Gwent NPT 7EJ (0291

No special reflectors are required and the unit will work measuring instrument is now with all surfaces apart from available in the U.K. from Wells matt black. Unaffected by ambient light, the detector has salesman could then keep a both emitter and receiver 26441.

copy of all his orders for the day.

Coer measuring 122 x 40 x 42 mm. magnet

Know as the Series IP, the hring magnetisation to zero after more than pushing on the device uses a modulated beama ferromagnetic material has

· ENERGY

# Petrol saver wins a gold medal

STAVELEY Electrotechnic Scr. dustrial applications. vices, a member of the Staveley Industries Group, is about to Company in the U.S. has been a limiting factor in complete make the commercial launch of financially supporting the petrol atomisation and bampers a new device for the control of development and Mr. Macguire's the establishment of stable air air/fuel ratios on petrol engines device has won him the coveted used in road traosport and stattonary applications and thus 1978. achieve better fuel ecouomy.

tain a specified air/fuel ratio by the Institute of Patentees ensures that combustion is im-proved, high hap provided with, the invention patented in hetter low-speed torque and Britain which, in the opinion noxious exhaust emissions of the judges: "best anticipates

of dishelief.

shortage the wilder the claims for these and other devices appear to get. The Motor some time ago ran

series of exhaustive tests on petrol economisers" some of which provided no economy at However, Staveley did not

ome to its decision lightly and there are serious reasons why it hacks the device, culmination of nine years' research and de-velopment by Andrew velopment by Andrew MacGuire an engineering consultant on commercial and In-

which permits the electronics

connected to the receiver to re-

ject all tight apart from the resected transmitter beam.

MADE IN Germany, the Forster

Koerzimat 1.095 coercive force

available in the U.K. from Wells Krautkramer, Blackhorse Road,

Letchworth, Herts. (04626

Cocreive force title reverse

Measures

the fields

Ferry Cap and Set Serew

"Richardson Gold Medal" for

The sward of the Richardson Ability accurately to main- Gold Medal is made annually Above all, it is the claim for society: or best meeta a known tion and inevitably, a proportion of dishelief

three plastic spheres and his ng from ahale. three plastic spheres and he in a nentry and exit orifice. The team has shown in the of a control valve and area set in vibration by engine vacuum. This results in a pulsating air flow heing injected into the manifold downstream of the carbureltor. carbureltor.

The injection point is chosen that the pulsations strike the of gas.

To do this on site, relatively holes would The injection point is chosen butterfly valve, causing a break-up of the fuel films which would up of the fuel films which would inexpensive bore holes would otherwise cling both at this be sunk into the sbale; part of

0.01 A/metre and the reading

is retained until the next measurement is taken. Five

ranges are provided covering zero to 100,000 A/metre. Residual field strengths are

as one milligramme and are oscilloscape

controlled

shown on an analogue meter.

ing and fan cooling: the bolder

Principle of operation is to

by

position.

saturation

magnetising force needed to magnetise the specimen to

in the intake system is normally fuei ratios.

It has been established during testing in Canada that at low to included in the 373 inventions medium engine speeds significant numbers of pulsations from second stage of this evaluation, the PED actually reach the com- a significant step towards the bustion space in each cylinder. possible acceptance by the U.S. Resulting superior alemisation and equal distribution of government grant aid.

Working of the petrol conomy device (PED) depends Oil from shale by laser Many claims have heen made on the diversion of a small perover the years for add-ons to carburettor systems that save a carburettor systems that save a carburettor, and the greater the diversion of a small perover the years for add-ons to centage of the air, normally WORK GOING on at the Israel the laser beam and part by a system of gas and air pipes. A petrol and the greater the through the PED. This conpromise for the direct extraction of petrol and/or lubricant air pumped into the hole once sists of a chamber containing tion of patrol and/or lubricant air pumped into the hole once ignition has taken place, can

PED was amongst nearly

10,000 submissions made to the

American National Bureau of

Standards during its evaluation

programme for energy conser-

vation devices. It has been

Department of Energy for

a liquid form on cooling, but the rest will have to be com-pressed and treated like other carbons to be expelled from fuel gases. The laser unit can be moved from one bore to another as a field is developed. More from the Institute, Technion City, Halfa, Israel.

point and on the manifold walls. each bore would be occupied by

Fine bright

wave forms

1200, a portable dual trace 25 MHz instructent that employs

accelerating voltage with reduced spot size to give blgb definition and brightness.

maximum

Samples used can be as small A FURTHER general purpose

measured within a 41 or 61 mm Instruments division is OS diameter coil with full screen- 1200, a portable, dual trace 25

has stops to ensure the sample a cathode ray tube with 100 x is in the correct measurement S0 mm screen and a 6 kV beam

constant field which is reduced sensitivity of 2 mV/cm over the

Offering

been saturated and is residually uniformly to zero. The residual complete 25 MHz bandwidth, magnetised) is shown on a seld is theo cancelled with a digital display in amps/metre reverse field the value of which or persteds to an accuracy of is displayed. the oscilloscope is housed in a robust case measuring only 305 x 133 x 420 mm; total weight is 7.6 kg.

> Timebase speeds range from 200 ns/cm to 2 sec/cm, with vernier variation over a range of 2.5:1. There is also a ten times expansion facility giving a maximum sweep rate of 20 ns/cm.

> Other facilities include the ability to subtract one channel from the other, attenuation, comprehensive triggering and Z modulation.

> More from the company at Roebuck Road, Hainault, Essex IG6 3UE (01-500 1000).

#### **e** COMPUTERS Speeding up the bills

ADMINISTRATION of internal financial accounts, budgetary controls and planning of the Stock Exchange will henefit by the installation of a minicomputer installed recently by Micro Business Systems, Aldwych House, Madeira Road. Weat Byfleet, Surrey KT14 6DA.

To be used to edit and enter the Stock Exchange's financial input data for updating project consolidated platinum at high accounts and the general ledger, temperatures are due to the the unit will be based on a small amounts of finely dis-Jacquard J100 videocomputer persed zirconium oxide that are with a satellite terminal and two printers, and is designed to operate both independently and alao on-line to a large IBM com-puter that handles a number of Stock Exchange management accounting functions.

One of its prime uses will be to assist in assembling budgets and financial report for services supplied by the Stock Exchange to it 4,500 members and the securities industry at large, among which are the market price display system, the interoal telephones and paging aervice on the floor of the bouse, and the Talisman service that settles and records daily tran-

Included in the system is a word processing facility that uses a new software language called Type-Rite, This has been developed by AM Jacquard Systems. In America it was recently awarded the 1978 Datapro word processing award for having achieved "an out-atanding degree of user acceptances "-the result of a survey among word processor users conducted by Datapro Research Corporation in conjunction with the International Word Processing Association.

Data entry applications in the Stock Exchange system will he handled hy Data-Rite, a data entry language described by Jacquard as the first stage towards the introduction of a full data hase management system. This will be used intially to transcribe information from aource documenta into computer language.

#### • PERIPHERALS Printer to provide a cut

LATEST printer from Tally, 7, Cremyll Road, Reading RG1 8NQ (0734 580141) is known as the M78 Self-Service and can deliver cleanly cut items such as airline tickets or hotel bills

An optically-triggered roller on the printing bead presses paper or card against a blade so that when the ticket or form has been printed it is cleanly cut off and appears from a slot at the front of the machine.

Tally says that airlines, ahops, hotels, hus companies and banks are among organisations alread expressing an interest in the UK. Such units are already in use in Germany for street-corner ticket issue to Stuttgart ram passengers.

Special versions are available for printing flight information strips for air traffic control, and for bar code labels in the retail

#### • METALWORKING Resists the wear from

abrasives BECAUSE OF its extreme hardtungsten carbide is generally accepted as being a malerial used with machine tools, hut another application whether this property is said to have particular value is in the manufacture of roof tiles, announces Dymet Alloys, Frimley

(Camberley 64433). It has supplied tungsten car-bide products to Powel Automa-tion of Portslade, Sussex, for certain components in the latter's machines for processing aand and cement, under great pressures and at high speeds.

Road, Camberley,

High loads and abrasive forces are imposed on certain com-ponents which must be renewed from time to time and since these parts are machined to high standards, renewal can be a costly process. In addition, there are maintenance costs to be considered and loss of revenue from machines lying

These considerations led the roof-tile manufacturer to choose tungsten carbide for particular FLUX CORED SURFACING componenta, saya Dymet, with the effect that working parts are considerably longer-lived.

#### High heat turnaces

EXTRA HIGH temperature for gas is not readily available. vacuum heat treatment and brazing apecialised components can be achieved in two new furnaces by Torvac of Histon. Cambridge CB4 4HE (022023

For temperatures up to 1.700 degrees C the model 16HT/ 1700 uses molyhdenum as the basic material for the hot zone tractor rollers, idler wheels construction while the other and track links. Third in the unit 16HT/2000 has a tungsten furnace element and can achieve. 2,000 degrees C.

MATERIALS

#### Platinum compound to cost less in use

BECAUSE of the sharp increase a 100-hour test is for example in the price of platinum, the about 13 N per aquare inch and thus three times greater than sion of Degussa, Frankfurt am that of Pt/10 Rh and 20 times Main, is promoting dispersion greater than that of pure consolidated platinum com-

1.000 degrees C, allow considerable aavings in comparison with pure platinum because of the longer service life of the components or the reduction of. weight, while dimensional stability is not affected.

High thermal resistance and creep strength of dispersionadded to the metal to stabilise the platinum matrix. The creep strength at 1,400 degrees C in Federal Republic.

platinum. The ductibility of the material allows hot or cold-High strength values of this material, which remain unchanged at temperatures of over material, which has the same corrosion behaviour as pure platinum, presents no difficul-

Possible uses for dispersion-consolidated platinum are in all fields where good resistance to aggressive media is required and the material is aimultaneously subjected to mechanical stressing and high temperatures.
It is available in the form of various intermediates.

#### • SHIPBUILDING Propellor to make the best use of power

EUROCATCH, now in progress are matched to the design in London, bas been chosen by characteristics of the vessel to Newage Engineers of Shaw, Lancashire, to introduce a 74-incb diameter four-blade H2P/ 1A two-pitch propeller system for trawlers and workboats.

The unit is the largest of a range of H2P two-pitch systems developed by Newage — part of the Charterbouse Group— attracting worldwide attention from trawlermen because of

their fuel-aaving potential when compared to solid propellers used on most fishing boats.

H2P propellers are designed specifically for vessels, such as Becar trawlers and workboats, with

provide a high pitch for freerunning and low pitch for trawling or towing.

Change of pitch is effected hydraulically, using oil pumped from a modified reverse reduction gearhox. The system is failacle becausa, in the event of bydraulic failure, the propeller reverts automatically in steaming pitch so the boat is not left powerless. The only control for the system is a simple two-position switch in the wbeel-

Đ.

Because the vessel is provided with an optimum blade two distinct operating require-ments: free-running and work-ing. The blades of the propeller with a fixed pitch propeller.

#### Saw this in last week's F.T.?

#### • PROCESSES

#### Oil cleaned for re-use

Bennett Guest. a particularly important use at

the moment lies in the reclaiming of cutting oil in machine According to the company

there are still many shops, some quite large, that throw their used cutting oils away in some cases incurring costs of £10,000 to £20,000 a year. Furthermore, current costs of about 50p a apecial shape (rather like the litre are likely to increase in re-entrant glass bottom of a line with all other oil products.

Bennett Guest's latest machine high speed to induce accelerations of over 10,000. The field

The clarifier removes all types flows from the rim.

SOLIDS can be removed from of particles without the use of a wide range of liquids using a filter eartridges but does not new centrifugal clarifier from take oot oil additives.

Applications are numerous. With grinding coolants for example the unit will remove sludge generated by the material being ground as well as wheel particles. A further application is with

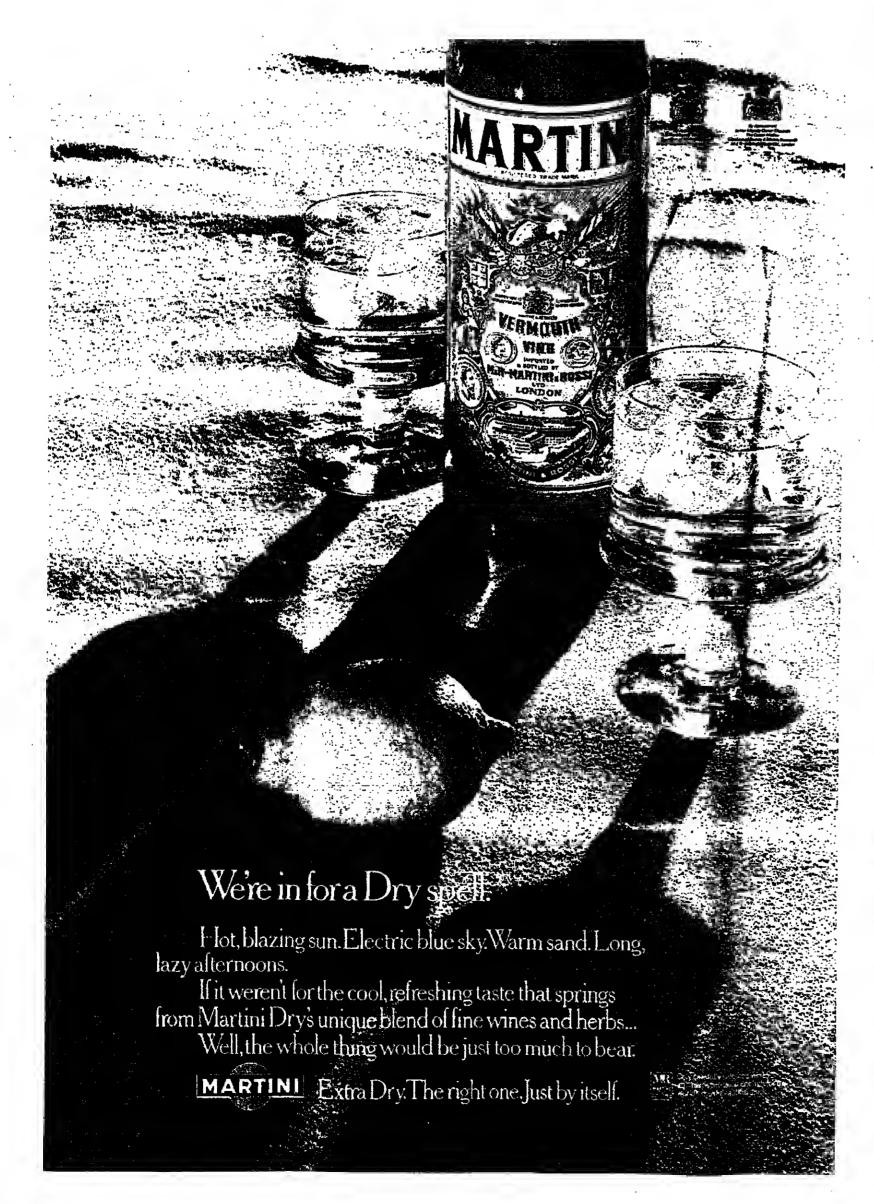
screw machine cutting olls that have been reclaimed from chips or taken from machina sumps.

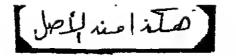
tions of over 1000G. The fluid recent case says the company, is princed in at the top while this sum was recovered in five the sindge accumulates near to the bottom and clear oil over-

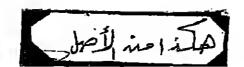
#### Ring (0892) 42866 for more details.

Bennett Guest Limited, Royal Tunbridge Wells,

The Pantiles House, Nevill Street, Bennett Tunbridge Wells (0892) 42866. Guest







# FINANCIAL TIMES SURVEY

Friday June 29 1979

# The Channel Islands

Jersey and Guernsey's newly-developed importance as offshore financial centres has buoyed the islands' prosperity in a period when it otherwise would have flagged. Efforts are being made to boost tourism, especially by attracting more visitors from the Continent, and the third. staple industry, agriculture, faces a number of difficult problems.

E POPULAR image of the innel Islands as a place ire the tourist industry ninates everything is easy to tain from a cursory view of crowds thronging the ade in St. Helier, Jersey, or ag the Quay in Guernsey's Peter Port. As the bolidayters window shop and gasp at price of a bottle of whisky a packet of eigarettes, they th be forgiven for thinking is some sort of paradise. bings though are rarely it they seem on the surface. rism is not the major source to 55 per cent in Jersey.

income on either Jersey or rrnsey, and both islands— ether with Alderney, Sark, m and Jetbou which come hin the Balliwick of ernsey—face a higher rate inflation than that experied in the UK. he holidaymaker is stili

hore financial centres is the st important factor for both sectors with shallow roots them. Stable economic to be watched carefully. ditions in the world are as sortant to the islands, if not ce so, than the visitor.

#### iversify

fronting the islands over attract ns with declining basic coming from there, ustrics and diversify into Tourism brought

fishing on to which tourism was this year in Guernsey a careful strain on stretched hotel later grafted. But there came watch is being kept. resources and also tend to spend a time in the middle and late 1950s when it was apparent that these were not going to provide the growth to sustain expanding economies.

It was then, from 1960 on, that the islands developed their financial expertise to the point where financial activities now account for just under 25 per cent of the national income in Gnernsey and (together with the contribution made by wealthy immigrants) about 50

Whether the rate of growth which bas taken financial activities to such a level can be sustained is open to doubt. Mr. Peter Dorey, president of Guernsey's advisory and finance committee, has said that "it might be more difficult to maintain the growth experiortant to the economy but enced in the financial sector in two islands' position as recent years." And in Jersey recent years." And in Jersey there have been warnings that sectors with shallow roots have

Every effort is being made therefore to develop the tradi-tional industries. It is difficult to move about in either of the iversity two island capitals without hearing French spoken and great efforts are being made to more -continental past 25 years has been not holidaymakers in case rising dmilar from that facing the costs in Britain should lead to. They have bad to couc to a diminution of the numbers

Tourism brought in about g sectors; what is undeniable take they have done it a lot of a total gross domestic product of £225m and

But in Jersey, also hit by rising cant proportion from Germany, prices, the number of beds occupied actually fell.

Can be proportion from Germany, Belgium, Holland and Scandinavia.

Both islands have aimed to attract French bolidaymakers in agriculture, faces rather more the larger ones labour has been particular. With an easy hydro- problems. foil service—St. Helier is 11 finding it increasingly difficult to strains elsewhere in the bours from St. Malo, though to sell their products, pre-economy which has to absorb Franca is only 12 miles away dominantly potatoes;

Guernsey bad a record year more heavily than those staying with 8 per cent more arrivals, for a week or longer. What has taking the total number to pleased the authorities par-331,596 excluding those who ticularly is that contineotal came from the Continent by sca. visitors bave included a signifi-

> The other staple industry, The islands are

To counteract this the govern-market, it is difficult to find something costing at least ment gives grants and about 40 somewhere to live for essential about £150,000. acres of greenhouses are being workers. built every year-but at a cost. An acre of greenhouse can now cost £100,000 and, to ensure that growing is as cost-efficient as possible, greenhouses of up to 74 acres are heing put up.

Soil is now almost a thing of pared to the bone, which has led cauli- the displaced labour force.

Io Jersey there has been

some strain at the boltom eod of the scale where school leavers with few qualifications have found difficulty in getting work. Their situation is exacerbated by the fact that the island the past in the houses and in (though not Guernsey) adopts a hard line on unemployment. There are few unemployment benefits and so anyone out of work has to be supported by a relative or friend or take the

Nor has there been any cuthack in the rate of new com-pany registrations. There was some slawing in the rate of increase last year and a changed pattern - fewer -registrations Britain but more from nonsterling-area residents and

panies.

overseas trading com-

Guernsey's rules on entry are different. It allocates licences or prices policy so wage rises for certain essential people to tend to be nearer the rise in the buy houses: this year 90 will cost of living except where rates be issued, of which the States are determined by what hap-(or Government), will take a pens on the mainland (teachers; proportion. Otherwise those wanting to come in have to buy a house on the open market register, of which there are only 1,400 out of a total island pressures, stock of some 18,000. At the moment, there are only a

The underlying trend of the sector remained satisfactory last panics registered, only 20 short of the record total the previous year. No new banks were established last year, but because fewer companies were struck off the register or went into islands because they have liquidation the total rose by a prospered. The authorities are

12.675 in Jersey). The real concern autumn approaches is how fast change of government in White-the rate of inflation will acceler-hall and a change of direction ate. Neither island can divorce in tax policy might have on itself from what happens in the UK, to which they are closely linked economically. The usual pattern has been for the islands to follow the trend of inflation in the UK but to be a couple of points above it.

rose 11 per cent in Jersey between June 1977 and June 1978, at a time when it went up by 7.4 per cent in the UK, and in Guernsey the rate was 9.1 per cent during 1978 against 8.4 per cent in the UK. By this March the annualised rate in Jersey had crept hack to 11.6 per cent and hopes of getting it into single figures had been

Neither island has a rigid paysome civil servants, nurses). More recently, a local element has been introduced which will the inflationary

#### Prudent

The States in both islands are aware that this nicans prudent budgeting. Both adopt essentially conservative approaches to the general direction of policy, creating a budget surplus to pay for fulure spending.

Such a policy has suited the record 602 to 5.526 (and another aware that the future will present new problems, not least being the effect that a

But they are not pessimistic. When policies are being con-sidered the paramount aim is continuity and stability and it would take a very large shift in world economic conditions Last year the cost of living to knock them off course.

# A search for stability

By Anthony Moreton, Regional Editor

from Jersey at the nearest flowers, tomatoes and flowers. There is little unemployment next boat to the UK, where he

about one visitor in every 12 severe winter this year. who stayed on Jersey came from the Continent; today the figure bas risen to one in five. And although the number of daytrippars dropped last year this double the Jersey figure). Of probably was due in part to the this, tomatoes accounted for disatrous season in Brittany £24.6m. Despite last year's good following the Amoco Cadiz result the general pattern of the

per cent down oo 1977 and will not have been helped by the Of the two, Guernsey is the

larger agricultural island and export earning; rose slightly to £35.2m last year (more than The economies of both Jersey about £35m in Guernsey, but in Guernsey and the day under glass has gone down trippers bave been particularly from 1,100 to 950 over the past ginally on agriculture and another 10 per cent likely welcomed because they put on decade.

point, and St. Peter Port 12 Jersey's total agricultural in Guernsey at the moment or she will be rather more hours—there has been a big exports last year were about 7 tprobably fewer than 100 are sympathetically received. actually out of work) though because of the seasonal nature of so much of the island's conomy there are greater Strains in the winter. The main problem is to find sultable longterm employment for those dis-placed from horticulture and

> in the summer. Eoth islands would like to etiract more high-technology light industry, but this is not cray specially when, to protect should be able to buy a house population growth and so avoid strain on the bousing by local people, which means

short-term work for the hotels

By contrast, the finance

sector in both islands has con-

tinued to prosper. There has

been oo diminution in the flow of wealthy immigrants seeking to establish residence in Jersey tihe island stipulates that anyone cconomically or socially acceptable must be able to con-tribute a sum comfortably above £10.000 each year in tax, which means a gross income well above £50,000, and that he well outside the range bought

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World markets as they move

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LIGHT INDUSTRY bas been allowed to set up if what it has nology, hegan operations in welcomed in the Channel to offer is interesting and fits 1977. It has 45 employees and Islands as a means of diversify into the Island's overall last year doubled its turnover to ing the economy and creating economic policy.

in Guernsey where there has been a need to offset the fall in horticultural jobs through modernisation.

Both Jersey and Guernsey can afford to he highly selective about the indostries they allow in, hecause there is no shortage of applications.

The Channel Islands offer a very attractive package, with low income tax, minimal government interference, quick decision-making by local authorities, reasonable access to both UK and Continental markets, and political stability. They are also very pleasant places to liva in, and there is little industrial

uorest.
Disadvantages are the restrictions, particularly on housing and land, that the islands have to impose for social and environ-mental reasons, and the short-age of skilled local craftsmen and technicians. From the Channel Islands' point of view. it is important to select a variety of small to medium-sized production units, employing from 20 to 200. Says Mr. Ron Barton,

Says Mr. Ron Barton, Guernsey's Industrial Develop-ment Officer: "What we look for is good quality companies making high added value products. We try to diversify those that are set up but we cannot cushion the island from general economic trends outside. And when considering a new application we bear in mind our responsibility to existing local

light industries." In Jersey the number employed in light industry has remained steady since 1971 at around 1,000. Exports in 1978 were well over £20m. The latest estimate for Guernsey's exports is around £40m in 1977, when the number employed was over 1,400.

These figures reflect the degree to which each island has found it possible to balance growth against pressures to open up new industries-which remain very high—and the islands' resources—which are very limited.

Jersey's policy is that priority should be given to existing local businesses that want to expand or move to hetter premises. This does not preclude a new industry being

steady employment—especially However, recent recommendathe fall in ment for controlling immigra-through tion, are bound, if adopted, to affect the development of light industry, since they include tighter restrictions on the starting of new businesses and enlargement of existing ones.

Guernsey could absorb up to two new units of the right kind a year, but priority is likely to he given to a business that employs men rather than

Meanwhile the existing light industry sector in the Channel Islands is booming; the range of products made in Jersey and Guernsey, and the world mar-kets they reach, make an impressive list

Training facilities at the islands' colleges of further education, and within the local companies themselves, have widened in scope to meet the need for local recruitment at every level.

#### Expansion

Traditional industries such as hoathuilding and knitwear show healthy expansion in Guernsey, some six over-titraditional Guernsey sweaters in 1965 with two full-time staff and six handknitters working from home. In the next few months, the company moves from its existing 5,000 sq ft premises to a new 12,000 sq ft factory at the Pitronnerie Road industrial estate, where it has Le Tricoteur is a model as regards housing. All 70 staff are local, and 400 additional

outworkers are employed. Islanders also hesd two relatively new thriving companies. Mr. Maurice Le Huray and exports plastic sheeting to the mainland and to Holland, for world export.
France and Canada.

Last year the co

Operations manager at Dynatech Data Communications, offshoot of tha Dynatech Corporation of Burlington, Massachussets, is Guernseyman Mr. Alan James. This company, which makes units used in

economic diversity

Electronics is well repretions put to the island's Parlia- sented among Guernsey's most 700—45 per cent of whom are men. Besides assembly, it

> 19 countries.
>
> The Guernsey subsidiary of Eurotherm began making components for electronic industrial temperature control equipment for its UK parent company in 1973 with a staff of 25. Now it has a 13,000 sq ft factory in St. Peter Port employing about 115, and this year hegan production and assembly of a com-

olete unit for export to France. Now occupying its own 40,000 sq ft factory and office block at Brave Road industrial estate is the manufacturing chemist Simco, which started with a staff of 12 in 1975 and today employs 50. The company's main product is Denclen der-ture cleaner and this year it hegan making packaging for some six over-the-counter. over-the-counter

Latest arrival to Guernsey is Teal Engineering, which started operations a few months ago and makes Jupiter pumps and fresh water systems for caravans and hoats, employing 15.

There are two main areas in Jersey where new factories can he sited—the existing Rua des a further 18,000 sq ft available. Pres trading estate in St. Saviour, where only the first phase of development has been completed, and on part of land reclaimed from the sea at La Collette, near St. Helier.

Among the half-dozen com-panies already on the estate is managing director of RCA (Jersey), set up as British Universal Packaging—a Guernsey subsidiary of Lonsdale in 1966 and now employing about
Universal—which employs 30 120 on tha production of teleand exports plastic sheeting to vision broadcasting equipment

> Last year the company won a major contract to supply colour television equipment to Yugo-slavia and recently it received a £21m order for 90 television cameras from Radio Televisione Italia, which will have 140 of these Jarsey-made units in use

# Peter Dorey

Herm and Sark. Next door, on the one side, is the Royal Channel Islands Yacht Club and on the other a yacht chandler's. the Germans arrived and when Even the puh heneath the club the oil tanks blew up a big pall Even the puh heneath the cluh

is the Sbip and Crown.
This emphasis on the sea is highly appropriate, for Peter Dorey in his capacity as chairman of Onesimus Dorey (Holdings) runs a successful shipowning business and in his leisure time races an Oyster 37

#### **PROFILE**

Dorey, though, is more than just a husinessman who pursues his hobbies with the same intensity. He has for the past 18 months been president of Guernsey's Advisory and Finance Committee, a Position that might be called the island's Chancellor of the Exchequer. As the island has no political government as the UK understands the term his position makes him the senior politician.

makes him the senior politician on Guernsey.

At the age of 51 such success sits easily on him, as well it might for he can trace his lineage back some 400 years. Not that this is an especially long time, as he is quick to point out. "Really the Doreys are young in Guernsey terms. There are people here who can trace are people here who can trace their antecedents hack 1,000

Jears."

Dorey is one of the "200 families" on Guernsey, though he would deny that, too. An insular society such as Guernsey has its own rules of precedence just as much as the British bave and Peter Dorey unquestionably has a special place.

It is not his family heritage, though, which has brought him

though, which has brought him to his present position, though

Dorey ships traded across the Atlantic and by the late 1890s, tendency to diffuse effort. apart from Continental trampfather, through the terrible Alderney.

trading conditions of the 1920s
and 1930s, and despite the was restructured in 1972 with

FROM HIS office on the quay at St. Peter Port, Guernsey. Peter Dorey can look out over the yacht basin to the islands of before tha Germans arrived. "I remember that June very well. You could see gun flashes on the Cherbourg peninsula as

> of hlack smoke hung in the sky. "We left the island with a lot of other people. Our destination was Newlyn hut when we got there we were met hy customs who told us we could not stay there as it was not a scheduled port. We had to go to Falmouth, we were told. "Bnt the previous evening six

ships had heen sunk off Falmouth and there was no way we were going there. My father could be a very obstinate man and he certainly got the better of customs on that occasion."

After the war the Doreys returned and started rehuilding the firm. Peter Dorey spent spells in London, Copenhagen and Oslo, learning the shipping husiness and injudy his father. husiness, and joined his father in 1951. It was 12 years later before he succeeded his father as chairman of Onesimus Dorey and Sons, the parent company and in the 16 years since he has not only continued the expansion of the firm, a private company, but also restructured

#### Determination

In 1964 he started Condor, with associates, to run a hydrofoil service and is proud of the fact that he has a certificate from the Board of Trade proving the company to he the first in Britain to run a cross-Channel service hetween the islands and Britain.

They were difficult years and in the middle of 1967 Condor faced catastrophe whan technical faults hit the engines. Condor suffered a loss of £250,000 and Dorey had to consider very seriously whether to pull out or go on.

But there is a streak of Opening in his make the order.

Onesimus in his make up and it cannot have heen a hindrance.

The shipping business was founded by his great grandfather, Josiah, in 1854, but it made was proved right, was bis son, Onesimus, who really established the husiness on a sound footing after the worldwide shipping slump of another hydrofoi!"

Together with the determination of the personnel wa never looked back after that point and the next year we took on another hydrofoi!" another hydrofoil."

apart from Continental tramping, the Doreys were running Granville, St. Maio and Jersey liner services hetween tha islands and Plymouth. The expansion was continued by Services hetween St. Maio. Cecil Dorey, Peter Dorey's Jarsey, Guernsey, Sark and Services hetween St. Maio.

and 1930s, and despite the was restructured in 1972 with trihalations of the Second Onesimus Dorey Holdings being World War when six of the Set up as the parent company, fleed's eight vessels were sunk. Onesimus Dorey 1972 (later to Peter Dorey was almost 12 be renamed Onesimus Dorey

CONTINUED ON NEXT PAGE

now in senior positions.

A small company on the Rue sented among Guernsey's most successful enterprises. The American oscilloscopa company in the American oscilloscopa company impressive export record is "listening posts," the latter Tektronix opened up on the Jersey Fine Tools, which providing a commentary only island in 1958 and is now the employs 22—half of them Jersey—audible to the person plugged in the Channel Islands. It employs metal-cutting machinery. Its at 17 sites in the UK and exported to the U.S., Australia, manufactures a range of elec- Canada, South Africa, the Far also reports considerable interest tronic components and supplies East and most parts of Europe, from Holland.

#### Specialists

Jersey's largest industrial con-cern is Rediffusion Reditronics (formerly Television Research), the companion company of Rediffusion Channel Islands, which operates radio and TV cable systems locally.

Specialising in the design and manufacture of electronic equip-ment for background music, public address systems and the like, this 28-year-old company occupies a 50,000 sq. ft. factory at La Pouquelaye on the out-skirts of St. Heller. It has a staff of 210 and an annual turnover approaching £2m, with half of Bell Bros. its output going outside the UK. Last year the company

RCA has always relied for staff launched a new line in audio-largely on internal training of visual aids for museums, historic local school-leavers, and of the sites, wildlife preserves and simioriginal group taken on some are lar locations. These are boused in highly weather-resistant metal columns and are produced in

range of precision cutters is recently an initial order has come from Canada. The company

Tyre-retreading plants in use in some 70 countries were made in Jersey at the Longueville fac-tory of Kentredder, a highly successful local venture started in 1961 by Commander J. H. F. Kent, an ex-naval man with long

experience in the rubher industry. Two systems are supplied to. users as a complete package, with the company's engineers flying out to put them into commission and train local personnel. At present Kentredder, which has a staff of 65 and an annual turnover of £800,000, is carrying out a major programme for the Australian tyre company

Willa Murray



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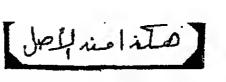
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#### THE CHANNEL ISLANDS III

# Tighter controls in the financial sector

islands this would small businessmen, farmers and appear to be a time for fishermen it once was. solidation in both Jersey
Guernsey. In Jersey the Morgan, the island's former commercial relations officer, nity, Guernsey is taking fresh

k of its laws governing proion of depositors.
inancial activities now be national income of Jersey rather under 25 per cent of rnsey and each island's ilnistration is highly con-us of the need not to allow sector to become too domit in its economy. Each is acutely aware that the age of Government at Westr the longer term if tax rates reduced in the UK—though optimists also believe that ending of UK dividend raint or relaxation of

a subtle shift of emphasis the rise was not nearly as ng as in the previous year. Guernsey the number rally dropped back slightly. ecline caused entirely by a in the number of corporatax companies (those which an annual fee of £300). The ber of resident trading ipanies, which pay tax at the 20 per cent on their dis-

uted profits, actually rose.

1 Jersey the sbift of basis was that almost all the ors relating to local people sterling area residents fell y, whereas companies regisd by non-sterling area resits or overseas trading comiea actually rose in number.
Colin Powell, Jersey's
nomic advisor, comments one of the main growth is is in international loans that another sector on a ng curve is trust business. ut Jersey is now adopting a th stricter attitude towards / banks. It has most of those

rants and in an effort to pre-t saturation of the market it probably in future allow in those from areas . which not now represented—or at t not strongly represented. hrcc have opened in the past months-Morgan Guaranty Vovember, Banque Nationale Paris in May and Banco de 200 earlier this month. There now no one knocking on the r and while that door is not ed it will be more difficult

d other company fees on that and increased by some 22 per at last year and it looks as nt last year and it looks as sugh this increase will conuc. Over a third of the new 
upanies formed last year 
re for non-residents of the 
leduled territories which, 
leduled territories which, ates supervisor, "demon-ntes that the island's advant-es of political stability, ourable tax structure and adcrately priced efficient fine structure of company law, ich essentially dates back to 61. Jersey's company law

FER THE recent rapid remains largely structured on with of the offshore the basis of regulating the neight activities of the activities of the community of

Guernsey. In Jersey distribution in the number of new ks seems to be tapering off: was asked to draw up a new code after a nasty run of banksed considerable bead-shak drawing up draft recommenda-among the financial com- tions but some of them ran into a lot of opposition. Particularly disliked were those which sug-gested that locally registered inancial activities now offshore companies should bave nunt for just over 25 per cent be national income of Jersey answerable for its activities, that every company must main-tain a register of beneficial owners and that companies sbould be dissolved if, after warning, they failed to make their annual returns within three months of the required date. Jersey decided to do ster could affect its island things in a piecemeal way instead.

#### Proposals

A new trust law is probably aange control would bring near (within the next ninc months it bas been suggested) and a chattel bond law bas been strations continued to rise submitted to the appropriate ersey last year, though there committee. But the necessary rethink of company law remains

on the sbelf.
Mr. Ken Lawson, managing
director of New Guarantee Trust of Jersey, the only bank wholly owned and controlled on the island, believes there is need for a new insolvency law. "No one wants to make the law more complicated or to destroy traditional facilities about confidentiality, and this is probably why the Morgan proposals ran into such opposition. But there is a need for a more modern outlook combined with Jersey's traditional simplicity."

In Guernsey too the need to update laws is accepted. Mr. Forty reports that "considerable progress bas made in drafting legislation relating to the regulation of insurance business and to the creation of charges on personalty. A number of other areas are also currently under review."

One of those areas under review is the law protecting depositors. This review started as a consequence of the failure of Barnett Christie Finance. Barnett Christie was refused permission to take further. deposits at the end of 1976 but the ban was never publicly announced. Eventually the company was wound up with a deficiency of more than £1.6m and

liquidator appointed. The liquidator is understood to bave approached the banks on r and while that door is not sed it will be more difficult open as Jersey adopts a more gmatic approach.

Hange
This change of emphasis ald now lead potential enots to turn their attention Guernsey. The income from poration tax, document duty

to bave approached the banks on Gnernsey to see if they would participate in some form of rescua operation but was rebuffed, and there is some feeling within the financial community that the Protection of Depositors' Act did not operate all that well.

The advisory and finance committee's case is that if it bad announced that Barnett Christie

poration tax, document duty announced that Barnett Christie had been prevented from tak-ing further deposits the whole financial structure of the island could have been hit. In January, bowever, the committee decided to publish any change in status or business of any deposit-taking institution or bank, which concedes the case of its critics.

Elscwhere. tinues to attract captive insur-ance companies (insurance comcial services were widely cognised internationally."
One area where progress is iog ahead only slowly is law form. There has been a lot of the first for British pensioners.

**Anthony Moreton** 

# Peter Dorey

ONTINUED FROM PREVIOUS PAGE

hipowners) taking over the alpowning role (that company arrently has four dry cargo essels), and the sbipyard of larine and General Engineers, equired in 1974, looking after to engineering side.

As chairman of a private ompany Dorey does not have obtained by disclose its financial ostition, but he maintains: "The roup is trading satisfactorily." ha passenger side has ertainly developed very well. londor carried 31,000 iassengers in 1964, its first year operations, and more than 50,000 last year. With the rowing popularity of the slands among the French this igure is certain to rise still urther.

To provide the best possible services Dorey keeps a close watch on the development of fast surface transport around the world and maintains contact with many manufacturers. tact with many manufacturers and operators. In 1976 the company bought its latest

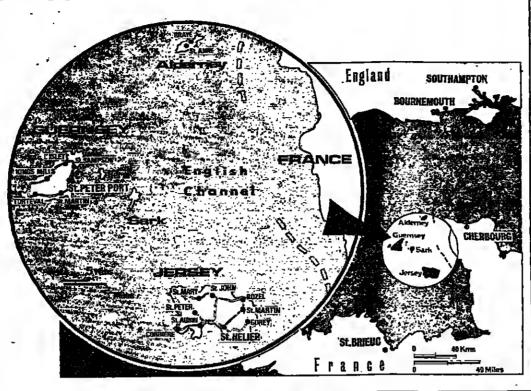
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FINANCIAL PUBLICATIONS LTD. 10 The Pullet, St. Peter Port 0481 27140/27149 hydrofoil, an electronically-stabilised vessel. But the hugs had not been worked out of the system, a nasty setback which cost the firm more than £600,000. Dorey reflects that manufacturing companies often tend to use operators as work-ing research stations.

Setbacks such as these have not stopped Dorey from pressnot stopped Dorey from pressing on in politics as well as business. It was a desire to serve the community which started bim on the political road. Ha feels that too often politicians refer to having power, whereas the operative word should be "service." He would never admit it but it was in a way continuing his responsibilities as one of the "200 families."

To bis contemporaries Peter

"200 families."
To bis contemporaries Peter Dorey is something of a loner, hut an instinctive leader. He was first elected a deputy in 1969, in a by-election, ignoring for once the advice of his father never to so into politics. Six years later be was elected by his contemporaries to be one of the 12 Conseillers in the States, the Island parliament. Two years later he was president of its leading committee. That sort of accolade is not That sort of accolade is not lightly bestowed by politicians on their colleagues so it reflects the trust they have in him.



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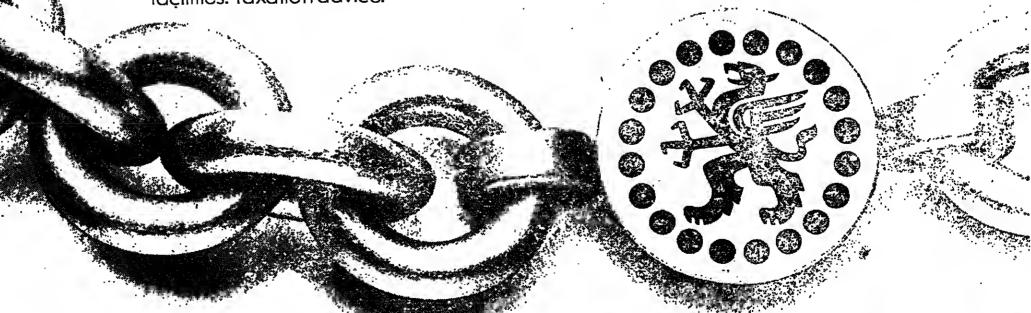
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# Prudent plans to hold agricultural output

GLASSHOUSE ROOFS sbimmering in their hundreds remind the arriving air travciler that Guernsey is still very much a community that makes its living from the soil—or nowadays more accurately, from imported bags of peat.

Ahout a sixth of all the tomatoes bought by the British housewife are grown on these 24 square miles, and the Guernsey Tom is available on the UK market for longer than any of its competitors.

The island also has a larger area of roses under glass than the whole of mainland Britain and exports substantial quantities of freesias, iris, carnations and other flowers.

But it is the "love apple," shunned as poisonous because of its scarlet skin when first marketed over a century ago, that has huilt those 950 acres of glass, and appropriately Guernsey has what must surely he the world's only tomato

At this time of the year the Guernsey Tomato Marketing Board, the efficient producer-controlled body that handles all exports, ships 350,000 to 400,000 six-kilogram trays across the Channel in a week. By the end of October about 50,000 tonnes will have been graded, inspected, palletised and shipped, mainly to the UK but also to France.

f25m for Guernsey last year, and horticultural exports as a whole about £35m—roughly equivalent to tourism revenue. In Jersey, by contrast, the value of horticultural and agricultural exports, at £15m, was only a sixth of tourism earnings.

Nevertbeless it is the larger island that presents the traditional farming scene, with its fields of daffodils—almost a thing of the past in Guernsey—its French seasonal workers

Tomato sales earned nearly

door tomato crop and cauliflowers.

Jersey's agricultural output is far more varied than that of Guernsey and, encouraged by the demand for fresh produce from hoteliers and restaurateurs, locally grown vegetables

digging new potatoes, its out-

are more plentiful. New potatoes remain Jersey's main agricultural export, although in last year's poor potatoe season, with shipments well below the usual 40,000 tonnes, tomatoes nearly caught up.

Hydroponics—soll-less growing in a nutrient solution—has been taken up enthusiastically hy Jersey's glasshouse tomato growers, and this season 25-30 per cent of the 90-acre crop is being produced by this method.

Warming the nutrient solution, combined with lower night temperatures, is seen in Jersey as a promising means of saving on glasshouse beating—a problem which, hecause of the rising cost of oil and fears about its future availability, is currently preoccupying growers in the islands.

In Guernsey, where hydroponics is little used and tomatoes are grown in modules, troughs or pots of peat, double glazing, thermal hlankets, rootwarming and varying growing temperatures are some of the oil-saving methods being tried

Meanwhile, faced with oll price rises that could add over £1m to their production costs this season, leading Guernsey growers believe that within 20 years or less the island will have to go back to coal-fired boilers. There have been appeals in Guerosey for growers not to save on heating next winter by planting crops later, as this is seen as a serious threat to the March-to-Octoher marketing pattern the island bas built up.

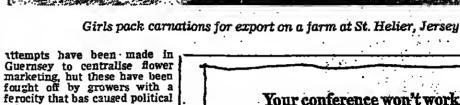
#### Revenue

Under the Channel Islands' special relationship with the EEC. Guernsey and Jersey retain any revenue that accrues lorally from the common external tariff, but do not benefit from Community subsidies. The only financial support Guernsey's tomato and flower growers receive is an investment grant of up to 20-22 per cent towards moderoisation of their nurseries (or "vineries" as they are still called from the days when dessert grapes were the island grann)

The aim is to concentrate the industry into 850 acres of modero glass by the mid-1980s, and it reflects the confidence of local growers and their financial backers that the programme seems to be on target with 40 acres of new glass going up annually.

In Jersey the States sub-

sidises the growers' advertising and also makes a bonus payment to those who market edible produce through one of four approved co-operative groups. Jersey has no central marketing organisation like Guernsey's tomato board, though recently there has been a renewed call for such a body.



practice, more co-ordinated in Jersey with 60-70 per cent of exports going through one co-operative, Vanguard, and all the marketing groups combining through Jersey Exporters to sell spring flowers, chlefly daffodils, on the Continent.

In recent months Channel Islands flower growers, like their mainland counterparts,

their mainland counterparts, bave hecome increasingly alarmed about the quantity of flowers being flown into Britain from overseas, especially from Israel. The Guernsey Growers' Association has asked the island's Committee for Horticulture to voice its concern to the UK Government in the hope that this will reinforce the action heing taken by the National Farmers' Union

Flower marketing is,

through the EEC.

Meanwhile Guernsey's rose growers, who made £3.7m last year from sales of over 250.000 boxes, face the prospect at last of having to pay royalties to the plant hreeders — a levy a number of them have escaped to far because there is no local legislation on the matter.

For years the plant breeders and mainland rose growers have been trying to bring pressure in the UK and locally for Guernsey to come into line with the international convention.

After successfully sidestepping the issue for a long time, the island authorities have now assured representatives of the organisation safeguarding plant breeders' rights that it is intended to bring forward definite proposals later this year.

Edward Owen



Produce at a tomato nursery in Guernsey

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#### THE CHANNEL ISLANDS

# Passionate islanders defend their identity

on Guernsey and restriction of

Income tax, it was advised, should remain at the same level

as Guernsey's But Alderney would benefit from the right to levy its own rate of local duties

and from not being bound by

the same social service commit-ments as Guernsey, with a

The number of elderly retired settlers and the drift

away of young islanders unable

to find work has been a problem

population of 54,000.

Encourage

Alderney's freedom.

as many people imagine, agreement between the Home lagle unit, speaking with Office, Guernsey and Alderse Voice. They are the control of the voice. They are an archito set the
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Alderney.

Itory with a resident popubn of scaweed-eating sheep.

worked on Ilderney and Sark, which their own parliaments, e within the administrative

wick of Guernsey, as do you, Lihou and Herm. rsey is responsible for the s. halfway to France. sea-birds from 1961 to when he returned un-

ely to Jezsey. it Alphense is still pressfor ownership. He says by has no jurisdiction over reef because it lies outside e-mile territorial waters.

his passion for indedence has been a driving e in Alderney, which was lly evacuated before the upation and turned hy the mans into a concentration

Office, Guernsey and Alderney to set the island back on its feet, Guernsey accepted finan-cial responsibility for

A new constitution was worked out for its parliament, making Alderney's the most democratic in the Chennel Isles. Today, there are 12 MPs headed by advocate Mr. Jon Kay-Mouat as the island's popularly elected President.

The island's economic re-covery after the Occupation was remarkable, enabling it to take on some public aervices, such as water and roads, previously shouldered by Guernsey. Jon Kay-Monat say: "In the

last 20 years we have only twice been in the red—and that for minimal loans." Alderney is about 31 miles

long by 11 miles wide, with a population of nearly 2,000. Almost two thirds are settlers from the UK. In March, 1977, the States of

Alderney commissioned a £6,000 economic study from ICFC Numas. The main fear was that

for some time. Introduction of work permits (Alderney is the only Channel Isle to bave done so) bas belped minimise unemployment, but the Finance Committee wants encouragement of light industry employing np to around 20. The Committee is also seek-

other value to the island and not a drain on medical and hospital services.

To this end, Alderney's parliament approved last May proposals that geriatric patients at

for services.

While Alderney is working out a blueprint for prosperity In August the same year, the and greater independence, the finance committee produced a 20th century is beginning to draft policy hased on the report. hatter at the walls of Sark, last Among main recommendations bastion of feudalism in the was that Alderney should aim world.

Roughly the same size as departments of government that Alderney, Sark is a complete could be run locally to better contrast, with a hereditary feudal ruler and a population of about 540. Its parliament of Chief Pleas has changed little since 1565, when Relier de Carteret, the first Seigneur, came from Jersey with 40

families to colonise the island. Sark bas always been self-supporting and enjoys greater independence from Guernsey, only nine miles away. Drinks and cigarettes are the cheapest in the Channel Isles.

Famous for its han on cars, the island has a traffic problem -tractors. Thwarted motorists, particularly the settlers, use them freely for getting around the Island's dusty, unmade roads.

Legislation has been introduced gradually to limit the number of tractors and curtail Sark has no income tax and

no social services, the only ing to ensure that in future direct tax being the "quarter" newcomers are of economic and —sometimes nicknamed "the guess "-tax. It is levied on property, formerly on the basis of the number of rooms. This is now being changed to the floor area, which is felt to he

But the tax, at present 50p a

without an economic policy, the been island residents for under cuarter, also takes into account island could drift into deht. 10 years should pay the full rate a resident's capital—hence the leading to greater dependence for services. guesswork Disgruntled inhahit-ants who think they are being unfairly taxed must swear on oath in Sark's court that they supposed.

The money is used to subsidise those in need. Single people can draw £16 a week.

Says Mr. Hilary Carr. Seneschal of Sark: "No doubles have applied for relief lately, so we have not worked out what they would receive."

Keeping to Mr. Micawber's

recipe for happiness is essen tial budgeting for Sark, which has an income of some £70,000 and spends about the same. As a mini-country investor, inflation over the past five years has eroded reserves, which stand at about £55,000.

The Seigneur is Mr. Michael Beaumont, grandson of the late Dame Sihyl Hathaway. He thinks that the main problem is to maintain a thriving tourist industry without spoil-ing the Island's character and traoquility.

At Herm, the small isle three miles off St. Peter Port that belongs to Guernsey, Major Peter Wood and his wife. Jenny, have succeeded in establishing a booming tourist trade without detracting from a treasure island charm and natural beauty.

The couple are celebrating the 30th year of their tenancy. When they arrived in 1949, the island was wild and neglected. and the White House Hotel took

Today, it accommodates 91 and Herm attracts some 90,000 day visitors a year. In addition, dairy farm with the largest milking herd in the Bailiwick and also a little community of 12 resident families,

Herm's neighbour, Jethou, is Crown property. The lease was hought for over £90,000 in 1971 by Sir Charles Hayward, the millionaire philanthropist who was formerly chairman of Firth-Cleveland, Sir Charles and Lady

- Also Crown property is 50acre Lihou, just off Guernsey's Substantial users of imported west coast, which is joined to oil who have been at the the mainland at low tide by a efficiency. Guernsey's horticul- landowner living in Guernsey. He has built a house on nearly 950 acres of beated com. Lihou to which he and his wife mercial greenhouses, hope to intend to retire, but at the achieve substantial savings by moment be is fighting off a introducing new day and night claim to the island by the

Willa Murray

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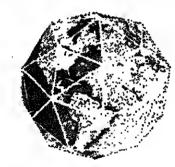
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# Energy thrift essential

1974 energy conservation has to present a major report to private island. assumed increasing importance the island Parliament later this in the Channel Islands. Dependent as they are on imported Sub oil-and likely to remain so for many years to come—the island sbarp end of continual price cohbled causeway. Its tenant economies are especially sensi-increases have needed little since 1958 has been Colonel tive to oil price rises and urging to improve their Patrick Wootton, a farmer and supply problems.

Authorities in Jersey and Guernsey which have been studying the situation for some time agree that although alternatives must be constantly reviewed. conservation is the only policy that makes sense at present. However, while the major users of imported oil have introduced a number of economy measures—and continue to research new-there are signs that the conservation message has not yet got through to the population at large.

Demand for gas and electricity increased during 1977 and 1978. Some of this increase was attributable to the bad weather and some to the Increase in consumers. Never-theless, a proportion is blamed on inefficient space and hot water systems and on poor insulation. The latter defect is ronghly estimated to cost Guernsey alone at least £500,000 a year. There are those in both Jersey and Guernsey who believe no real progress will be made towards reducing such waste until tougher building regulations are introduced. Accusations of waste are also heing made against private motorists, whose petrol—because of lower local import duties-is cheaper than on the duties—is cheaper than on the mainland and on whom there are no restraints. It is a fact that the vehicle populations of both Jersey and Guernsey are, per capita and per road mile, among the highest in the world. Recent pleas to introduce traffic curbs, which in Guernsey include the idea of a car-less Sunday afternoon every month.

Sunday afternoon every month, have so far heen resisted by the island governments on the grounds that limits on vehicle ownership, size or use are neither necessary nor politically

acceptable.
The conservation argument, however, is experted to strengthen the hand of environmentalists—and some motorists themselves—who claim that the pressure on road and parking Space is hecoming intolerable.
Guernsey's official policy of conservation is the responsibility of a special sub-committee

hility of a special sub-committee of the island Parliament set up in April 1978. In a report this March it called for a commitment for every islander to reduce waste and has itself instituted a survey of the cost and efficiency of heating systems in all public huildings, including schools. ing schools.

Jersey's sub-committee on energy is chaired by Senator John de Carteret and has links with the South West Energy Group based at Exeter University that also has repre-sentatives from the Devon and Cornwall County Councils, Plymouth Polytechnic and the Camborne School of Mines. Senator de Carteret, who has

been among local politicians to agilate for traffic curbs, claims: There is an awful lot of wasted energy in Jersey at

EVER SINCE the fuel crisis of present." His committee is due Hayward now occupy it as their

tural growers, for example, with temperature regimes and parish of St. Peter's. thermal blankets.

In 1976-77 the privately owned Jersey and Guernsey gas companies introduced new production plant, increasing efficiency to 99 per cent and slashing up to 10 per cent off their LPG costs. They supply their consumers with a butane/ alr mixture—a substitute for

The Guernsey Gas Light Company is also involved in selling through its group, insulation materials and expertise, god is in the early stage of introducing solar liot water heating systems—as indeed are a number of other private companies in the islands.

#### Alternative

Mr. John Morris, managing director of the company, helieves that solar heating could come into its own by providing hotels with alternative beating for swimming pools and hotwater systems as the period of their maximum demand falls in the summer months.

Guernsey's Electricity Board, which is State-owned, is Installing more efficient generating plant in the form of slow speed two-stroke diesels, the first of which comes into operation this autumn. It will also give the Board more flexibility in the use of feedstock.

Heat from the generating pro-

cess bitherto wasted is to be used to space heat the Board's new premises and the idea of piping more heat to nearly con-sumers is being studied—as is the use of coal as a feedstock. In Jersey an experimental solar hot water heating system is to be installed at an island hospital, and the Resources Recovery Board, which is responsible for sewcrage and refuse disposal, is already self-

Developments elsewhere into alternative energy from the sun, wind, tide, waves, elc... are being closely monitored and even the remote possibility of an ultimate switch to a "mini" nuclear power station has been looked at. The costs and practicalities of plugging, hy submarine cable, into the French or UK electricity systems have been examined. The French are, after all.

planning to build a large nuclear power station at Flamanville on the nearby Normandy coast. And despite opposition from French and island environmentalists—and fears of a Harris-burg-type incident—it seems certain, given the French commitment to nuclear power, that the project will go ahead.

Robert Baker

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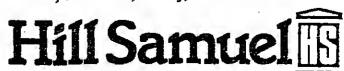
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# Tourists flock from Continent

eojoy the best of hoth worlds cent. In:
this season—a recovery in their
UK market and a record are s
number of continental visitors. year. For the British (slightly diswith Mcditerranean holldays) the islands seem to be reasserting their traditional appeal as n clean, aafe, friendly bit of "abroad," where low duties and freedom from VAT go along with English money, good beer and favourite TV serials.

"I think the reputation we have bullt up for reliability and service—something no looger associated to the same extent with some of our Mediterranean

with some of our Mediterranean competitors—is paying off this year," aays Mr. Leslie Rebindaine, chief executive of Jersey's Tourlsm Committee.

Also paying off are the efforts of Jersey and Guernsey to make themselves better known on the Continent, not just in nearby France, but in Belgium. Holland, Germany and even Scandinavia.

The Continentals have dis-

The Cuntinentals have discovered the islands as a quaint, pleasantly unspoilt English outnost, very good value in their currencies and no longer

difficult to reach.
Scheduled or charter flights are coming into Jersey this summer from all over Northern Enrope, while Guernsey is now served by a Dutch airline, NLM.
"We could never have foreseen a few years ago that we would be in such a strong posiwhild he in such a strong pos-tion in Holland as to have a Dutch airline flying here direct," says Mr. Michael Walden, Guernsey's director of

A recent survey showed that about 165,000 of Jersey's 766,000 staying visitors came from outside the UK, and in addition there are upwards of 150,000 French day trippers. Guernsev has no check on its percentage of Continental percentage of Continental visitors, as most of them pass through inimigration in Britain

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CHANNEL ISLANDS hoteliers or Jersey, but the figure is start in the autumn. look as if they are going to thought to be nearly 20 per Most notels in

In return for the £1 m they are spending on publicity this year, the Channel Islands should earn well over £120m illusioned, local botcliers think, from tourism-earnings that spread right through the community to small shopkeepers. workers and dairy farmers.

A party from the English Tourist Board that visited Jersey and Guernsey last month to study this thriving offshore scene was especially interested scene was especially interested in the islands' system of hotel registratioo, inspection and grading, io force now for 30 yeara. Originally greeted with suspicion the grading system is accepted today hy island hoteliers as a good discipline for themselves as well as good for the customer.

#### Standards

Jersey and Guernsey hoth lay down detailed standards for each grade of botel and guest house, covering everything from the size of bedrooms and preventage of private bathrooms to the furniture and fittings. Since 1969 Guernsey has also applied the system to self-cateriog accommodation, which provides some 20 per cent of the smaller island's tourist beds but hardly exists as yet in Jersey.

Besides serving as a con-sumer guide; and effectively keeping botel tariffs in line with the amenities offered, grading, by progressively raising standards, has enabled the island authorities to ensure that the industry ploughs back profits into improvements. Many millions of pounds have been spent on hotel modernisation in recent years, and among hig schemes in the offing arc a £2m

reconstruction of the Pomme

Most notels in the islands

started life as large private houses, and a 225-hedroom unit to he opened in Jersey in about two years' time by one of the island's brewery companies will be the first large tourist hotel

to be built from scratch.
In spite of hotel extensions, the number of registered tourist beds has remained fairly static at around 25,000 in Jersey and 12.800 in Guernsey, because many smaller guest bouses baye closed. For environmental reasons the islands do not want to see any marked increase and are looking for future expansion of tourist revenue to a longer season and more winter traffic, particularly conference busi-

Guernsey's Tourist Committee would, bowever, like to see one more top-grade botel opened to air to sea travel, especially with Sealink now running car ferries to Guernsey and Jersey from both Weymouth and cater for the conference trade, which bas developed better than anyone hoped in the 18 months since the island—backed by its new Beau Séjour lelsure centre-moved seriously into this market. In Jersey conference facilities have just been extended by the opening of a 2,000-seat ball at the island's £5m Fort Regent leisure centre.

Among the smaller islands, operated to Jersey for the first Alderney is the only one likely time from a number of UK airsee any aignificant tourlat

development.

Sark, able to attract 80,000 to 90,000 day visitors and tourists with the simplest of amenities (though some surprisingly good restaurants), has little incentive

to develop.

Herm, Guernsey's offshore playground, has probably as much accommodation, with a 90hed hotel and self-catering cottages, as goes comfortably into an Island that depends on its unspoilt "fairyland" appeal. Alderney, however, is still

nearly 200 sbort of the 1,000 d'Or Hotel in St. Helier, due to bcds considered to be economie-

and Guernsey have profited con-

siderably from their state-run philatelic husinesses.

Jersey's Philatelic Bureau,

which has 42,000 account customers, makes annual profits of

about £900.000 and Guernsey's.

with 38,000 account customers

about £400,000. Since 1969 Guernsey's total philatelic pro-

fits alone total more than £3.5m

of which more than £3m has

been funnelled into the island

government's general revenues.

A high percentage of the in-

come is from non-Sterling areas.

philatelic operations is attri-buted to "conservative" stamp-

and the limiting of commemorative sets to no more than three

or four a year, usually of low

In addition, the island Post Offices have concentrated on producing attractive stamps on a host of different themes —

including art, history; marine life and agriculture — and on promoting them, alongside those of the larger stamp-

issuing nations, at international exhibitions and through selected

Thia year's Guernsey com-memoratives will include a special, issue on October 1 to

mark the tenth anniversary of postal independence. The aet of four will depict: 6p—the Polla-telic Bureau and Head Poat

Office: 8p—mails and telegram operations; 13p—parcels operations; 15p—philatelic operations. There will also be special

Jersey, which has decided not

to celebrate in stamps any anniversary before its 25th, is restricting itself to special can-

callations October 1-9, also marking UPU Day; souvenir

postcards: and an Open Day

with a philatelic cancellation,

October 9.
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whether specialists in first day

covers, postage dues, hand-

stamps, or booklets, are catered

for by the Philatelic Bureaux whose staff produce regular new

Sets of island stamps Issued

a few years ago with face values of only a few shillings now cost

many pounds to buy from dealars. Complete collections of

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face values.

Much of the success of their

#### servicea. Faced with the prospect of continuing to lose holiday traffic from the north of England and Scotland unless travel costs can be cut, the islands are no longer against charter flights from airports north of Manchester. The question now is how far they will be able to keep their "life-line" air links with the mainland if charter operations grow. Guernsey, which bas only about 20 per cent of package tour traffic against Jersey's 50 per cent, clearly has misgivings on this acore and would prefer Philatelic

Meanwhile, with hotels, guest houses and holiday apartments well booked and the islands filling up with tourists, trippers and yachtsmen of a dozen nationalities, there are not likely to be too many grumbles this

on the whole to see cheaper tourist fares on scheduled

the chairman of the tourism

committee, Mr. Roger Lees,

there are a number of people, including outside companies, who see the island as "ripe for development." At least three projects are currently before the island authorities.

the island authorities, two of them involving conversion of

19th-century forts and another for a botel and large marina.

But local opinion is very divided

about doing anything to change the island'a quiet, leisurely character and, as Mr. Lees puts

it, Alderney has "some major decisions to take."

A marketing problem for the Channel Islands in recent years

has been the rising cost of air travel from the UK (£59 return

from London at weekends this summer, and £77 from Manchester). This has already resulted in a swing back from

The airlines bave countered

this year with a variety of dis-

count fares for early and late

bookers, old-age pensioners and family groups. In addition,

regular charter flights are being

ports — a notable change of policy since in the past Jersey'a

authorities, like Guernsey's, have opposed charters from

Britain for fear of damaging their year-round scheduled

Portsmouth.

THE IDEA of having and running their own independent Post Office bas long appealed to many of the 2.000 inbabitants. Solution."

Solution."

Mr. John Winckworth, Alderney But Guernsey's tourism direction. Mr. Walden, is anxious that the industry should not be too of Alderney, the most northerly that it could be two years before complacent about the situation and one of the smallest of the his islanders are "licking their with uncertainties such as the Such as institution, they beeve, would not only appears. This year's auccess could be the lull before the difficulties would suffer if Alderney hegan start. I am not being pessimistic, only realistic, because 1 helieve we will bave to be competitive as never before in the 1980s."

Edward Owen

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no evidence that Guernsey's and Jersey's philatelic businesses the island's status as a largely sef-governing community but provide, through philately, welissuing stamps and that "the come and probably substantial converse might apply." extra revenue.

There would also be new jobs There is little doubt, however, that since gaining postal inde-pendence 10 years ago Jersey

bonanza

and career prospects for about 30 islanders and publicity benefits for the local tourism in-dustry There might even be speedier postal services. With all this at stake it is little wonder that some

lieve, would not only enhance

Channel Islands.

Islanders believe It might almost be worth declaring a full UDI against Guernsey — Alderney's administrative and fioancial mentor since 1949. But this year the dream of an

independent Alderney Post Office has come a step nearer reallty with the completion of a report, commissioned by the tiny island's 13-member parliament, into the project's feasibility.

Prepared by a team from the buted to "conservative" stamp-UK Post Office, the report issuing policies—infrequent pro-appears to confirm that ductions of definitive stamps. -which has oo international finance or light industries like Guernsey and Jerseycould henefit financially, and in other ways, from running its

own mails. As a result the Alderney parliament has charged its Finance Committee to "open negotiations" with Whiteball, and Guernsey's Post Office Board that has been operating Alderney's services since Octo-ber, 1969, when hoth Guernsey and Jersey became postally inde-pendent of the UK.

No one on either side denies that the negotiations will be anything but hard and long because the Guernsey Board, which bolds the Bailiwick mail monopoly, has so far resisted the idea of a separate Alderney

operation. It fears that philatelists would lose interest in Channel Islands atomis if a third stamp-issuing island emerged.

Further, giving way to Alderey might lead to awkward demands for special treatment from the other isles in Guernsey's Bailiwick, in particular Sark with 580 inhabitants. It is a fact that before 1969 entrepreneurs in Alderney, Herm, Brecchou, Jethau and Lihou all issued their own carriage label " slamps for private operations; businesses which were swiftly outlawed when the Guernsey Post Office came into heing.

Protecting its reputation for integrity" ranks high with the Guernsey Board, Its President, Denuty John de Putron, said: "We would still he very wary of giving Alderney postal independence even after reading the UK Post Office report. Howaver, we certainly want to dis-cuss the whole concept in detail with Alderney so that we can agree a mutually satisfactory

each, now cost nearly £300 Robert Baker

المسكدامند للصل

#### HE MANAGEMENT PAGE

But planning is by no means just about forecasting; that is only one adjunct of the pro-cess. The Chinese would claim

that it is always necessary to think the unthinkable; clearly the planners did not. Is a tech-

nique to be condemned for the

failure of individuals to use it

Long-range planning first became trendy in the 1960s, when fashionable business

schools promoted "quantitative decision-making techniques."

Planning was the embodiment of the new "sophisticated"

approach to management which

was recognised to be essential,

not only to tha managing of

increasingly complex businesses, but as the platform from which

staid and stuffy companies could

break out of their historic strait-

jackets and becoma broader-

The order of the day was

diversification, since it was

pased and more aggressive.

EDITED BY CHRISTOPHER LORENZ

economic growth was a of life and profits were to reap, most companies keen to look at least five abead. Now, because the mic environment is so tain, the prevailing mood of extreme caution, and erage businessman's horihave grown much shorter etimes only aix to 12 is ahead

s blinkered attitude has legitimised by the term ervative management" ke commitments on a longctical, if not irresponsible. tha success — even the al-of a company requires anagement to take a longview, whatever the econoircunistances. Very few inies of average size and able financial standing are ious risk over a one to ar period; but over four years this can be a very :nt matter, even for bigger

long range planning, ly executed is all the necessary at a time of nic adversity. Yet some mies have all but stopped r made in 1977. almost er cent of companies d to a cutback of their ing activities within their isation since the beginning 3 recession in the early Some corporations are. to bave abolished the

on completely. minly, many companies disappointed by the sent failure of this tech-which had promised to le a hasis for rational and ed that planning failed to pate the recession, so that vere not prepared for what

But many companies lived—
some only just—to regret their expansion into areas they knew so little about; many of those which limited expansion to known areas of expertise survived tha recession better when it came.

Essentially it is about misuring the survival of a business, and this involves only a few fundamental concepts:

1. A long term borizon in order to give a broader perspective to decisions which have to be made today.

sionment with long range plan-ning as an effective management tool; it had falle dto live up to its promise. One example of the dissatisfaction with planning was the complaint that all too often the end product of the planning process—the five year plan-very quickly became outof-date, overtaken by events. The value of such a document was therefore questioned.

But this belies a major contribution of long range planning, namely the process involved, not just the plan itself; the value of bringing managers together and directing their attention away from current problems to the problems and opportunities which may occur next year and thereafter; to think about the broad trends in market and technological developments.

planning efforts foundered on too much detail and complexity, with decision makers unable to see the wood for the trees, and But equally, planning is not about forecasting growth-and common-sense being thrown out of the window in a bld to keep then deciding bow much money up with the rapid growth which the company needs to spend in claimed that this would not only order to get it; nor is it about was seen everywhere. A set of reduce overall risk by spreading using sophisticated computer criteria was accepted as the conthe company's activities over a simulation models in order to be ventional wisdom for growth. It was rejected out of band by swung the yield from a margin-broader range of products, but one step ahead of the economy which, if common-sense had the incumbent chief executive ally acceptable level to a very

improving

response

changes.

it would lead to growth probably through acquisition; and big was beautiful.

—only to find the economy been applied, would not have not at the property about insur
Essentially it is about insur-

After Wednesday's introduction to our series on planning, two practioners chart the 'failure' of many systems since the 1973 oil crisis

Corporate strategy in the wilderness

Essentially it is about insur-Faced with a new round of "the planning exercise," one chief executive recently commented that " in an increasingly complex environment it is inevitable that the planning process will become equally complex." This is not ao, and must not be so if planning is 2. An attempt always to minimise risk in the market to be effective.

It is just this kind of argument which inhibits many planning efforts and causes managers to throw up their hands despair at the task involved. A major purpose of a plan should be to simplify a corporation and its operating environ-ment into workable component parts, in order to place these perspective.

In long range planning, it is essential to identify the broad parameters and trends. concern should not be to decide whether the growth will be 5 per cent, 10 per cent or perhaps 15 per cent, but primarily wbether the trends will be upwards, flat or down (unthink-

Just before the economic recession of 1973-74, I was involved as a corporate planner in presenting a five year plan which incorporated as its basic premise the assumption that there would be a recession and tha major markets for the company's products would decline.

bis job was to ensure growth. Today, many managing directors are still chosen for "a record of proven profit growth." Is this the most relevant yardstick in today'a economic environ-

So was the problem in the early 1970s a failure of management, or techniques, or both? It can be argued that—just as in the case of some early com-puter systems—the problem was simply one of bringing the two together successfully into a workable system of management practice.

Few would admit, either at the time or in retrospect, that management abdicated mon sense and judgment for the new techniques of decision making, and leaned too heavily on them, but it seems now that in many cases they did.

The comfort of being able to put np a project with a high discounted each flow return. where all the appropriate techniques of analysis bave been has a powerful influence.

The managing director of Shell Transport and Trading last year described bow the timing of a decision to build a new plant in the UK was finally influenced by an offer of additional government grants which

comfortable one. 25th April, 1978.)

In this particular case all the techniques of analysis had been used — Shell has one of the environment had taken an nnexpected turn for the worse after construction started in 1976.

All of which emphasises it is the timing of decisions which is crucial, and that they must be taken against a long-term per-spective. If Shell had not brought forward the investment pecause of government incentives, but had waited until it was justified by market considerations, the problem might not have arisen. It is in the market place that the final risk lies, and grants do not change the market.

lems discussed in the article below (cbeck), one of the reasons for its demise has been the mistaken assumption that it must necessarily involve decisions about new investments; in the present climate few man-

Planning is often about making the even harder decision of divestment, so that the company can concentrate on areas where it has strengths and ensure that weaknesses are eliminated.

In uncertain economic environments the marginal invest-ments that could be carried in: growth markets can no longer be tolerated. But a divestment decision must bave a loog term horizon, just as an investment decision does; the danger in most cophisticated planning taking short term views is that systems in the world—but the company admitted last year that put off till the next year, when it was unhappy with the invest- in fact decisions should be ment because the economic made immediately. The ability to divert the resourcescularly management time-which have been increasingly absorbed by problem areas con have an extraordinary positive effect on the rest of the business.

Whether management is concerned with disinvestment, in-vestment or both, it wants to feel it has some control over its business, rather than always being controlled by events. That is exactly what long term planning is about. The enni-pany which takes only a short term view will always be one which finds itself reacting in events and moving from one Apart from the "failnre" of crisis to another. Planning will not always anticipate these companies through the recession evenls, but properly earried out and the more underlying prob- it will help to position a company so that the effect of shocks minimised and the chances of surviving are increased.

#### Ron Emerson

R. V. Emerson is an Assistant : agers feel sufficiently confident Vice President of Bonk of to take these decisions, particu- America, dealing with sont larly when many companies are major industrial occounts. He already operating in markets previously worked as a corwhere there is significant over- porme plouner for several in-

nce that management process ed-and needed - when several academics two basic problem the inadequate way

DID corporate planning management's lack of undero provide the positive standing of the planning

runch " came after 1973? 60s bad led to over-expectations ch over the last three on the part of top management -corporate plans were being seen as predictions which could forecast the majority of critical

The relative stability of the

ind, more important, top ning and-most significant-the

the inadequate way future events. This balo en- examined at the beginning of input to the planning process. ning" was often carried couraged inflexibility in planthis year in order to check oil Vague long-range goals could ahead - rapidly

> cantly elsewhere. Permeating Frequently the vagueness ning everything was "growth." A arose through the desire to Much cardinal concept of planning encapsulate the whole organisagrowth of many plaoning able or required to play within departments had left them society, exposed; frequently staffed by Another harmful aspect of highly-qualified but relatively young men with their own fusion of strategy with the systems and jargon, they did detailed planning function and not do enough to cultivate close contact with the rest of the

standards of living in the

developed countries and positive

efforts to raise them signifi- plans.

accordingly impored.
While the technical souhistic cation of the nlanning systems increased, there was on similar

worst type, resented and often

was ignored. By contrast, witness the speed with which many
corporate plans were re(or their boards) as a key of the essentials of successful three to five years' duration, in examined at the beginning of input to the planning process. be accommodated in the 1960s, Equally, the success of those but with the discontinuities based on solid experience was years suggested "good things" that upset industry and comparamount. That it is immerce in the 1970s, they became positively dangerous in

Blame managers, not the system

place. In other words, simply

to delay making investments

does not in itself reduce the

business risk—it may increase it. The perceived need to main-

tain a strong balance sbeet will

often force companies into abort-sighted decisions which

may aggravate their long term

financial position. It is the market which should determine

the appropriate timing of invest-ments, and equally, divestments.

3. An attempt to maximise

the flexibility of the organisa-

tion—including the people in it—and thereby minimise the

These may be blinding state-

ments of the obvious, but many

time to external

became overlooked, both by tion's future strategy into a planners and top management— single goal. This failed to quickly or that long-held beliefs "vulnerability," arguably the recognise the network of goals. could so rapidly be destroyed. most critical part of planning any organisation will, and To an extent the culture in efforts bave enhanced the real thinking, virtually departed indeed must, bave. Such goals which top executives operated strength of the division or from the planning vocabulary. will incorporate the chief compounded this. Once a year company.

Linked with these factors is Derck Wynne-Jones is Head
There were other ways in executive's intentions but also they accounted for and were. It is very easy to make these an awareness of what planning of the Planning and Strongy
which the characteristics and will reflect a company's past judged on their actions and, comments from today's vantage can and cannot do. Once an Dirision of PA Management performance of the planners philosophy and the missions caused problems. The rapid and roles it perceives itself as

this vagueness was the contop management's consequent assumption that it could deleorganisation. As a result, they gate both—rather than just the were perceived as a classic latter—to a planning department. Even when the planning department had not been given responsibility for the formulation of strategy, much of the rest of the organisation ofter hericred it had.

uncertainty of basic assumptions improvement in the clarity of . Together with this frequently In many large companies the The "cult of the planning. hnnch" still existed-the belief that intuition or "gut feeling" portant no one would deny, but too many cases it was when translated into corporate allowed to reject and over-ride the warnings that many plan-ning systems were flashing. of the rejection was emotive, a refusal to recognise that change could come so measures which

more important, their results. point and to ignore the progress organisation's strategy has been 'Consulton's.

which an executive was expected to produce real profit growth from his division or company; satisfactory sbort-term growth frequently obscured the true health of that division as the successful man moved on. The relative sbort-term view

was reinforced by the reward schemea; in most cases they were, and still are, based performance on short-term reward the present, but pay scant attention to wbether that year's To an extent the culture in efforts bave enbanced the real

loday the majority have stronger and more realistic management Their realism is apparent in

two main areas. First, there is greater understanding of the pace of change; the change may be technological or social but it is now accepted that "change" (probably at an accelerating rate) has an impact on all our assumptions about the future - thus an organisation's ability to adapt to new circumstances becomes even more important.

Secondly, the fragility of many planning assumptions is recognised. Plans are prepared ties can be demonstrated easily planning can he used effectively and facilities normally exist for changing them more rapidly; the various "what if" models are an example of this.

made since 1974. For a start, clearly established, corporate most organisations survived and planning is the process and the attitude of mind which leads to the identification of future threats and opportunities, inorganisation's strategy has been decisions which avoid threats and exploit the opportunities. On the other hand, people now accept that corporate planning caonot itself make future decisions, nor is it a highly developed forecasting system.

The awareness of planning's strengths and limitations is the key to its successful use in a range of different formats by a multitude of different organisations. A future article will spell so that their varying probabili- out in greater detail how

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# An example from Comecon

BY DAVID FISHLOCK

Britain's Margaret Thatcherare steeling themselves to make larges; nil and gas producer, 440 MW reactor to be supplied has already taken this decision. The USSR and five of its Comevakis. con neighbours are creating a power pool " that not anly will share its electricity network but will schedule, manufacture and sian design to a multioational industrial programme.

#### Fragile

Wormes about nuclear energy, chiefly about the possible proferation of nuclear weapons, has kent western governments firmly in control of key aspects of their nuclear industries. This has inhibited international links to completion. for manufacture and left the industry fragmented into rather fragile units in relation to the scale of investment and resources required.

Lenin himself taught the

Russians the paramount politiweakness of trying to build political activities of opponents alone a demanding new inter- of ouclear (or electrical) power. national industry for generating electricity. After struggling throughout the 1970s with the formidable development and manufacturing problems of oroducing 1,000 megawait versions of the pressurised water reactor it developed for its nuclear nave. it has collect in the resources.

of its Comecon partners A plan is emerging, embracing all countries but Romania — to try to market reactors and which has chosen the Canadian the full range of nuclear fuel reactor — under which manufec-services beyond its own borders. ture of new nuclear plant will be shared, so raising the tech-nological cambbility of all six countries. They will also share the material labour and financial resources required to huild I asked centor Polisb energy these complex energy-makers. Officials whether they thought

reactors. Czechoslovakia, Poland They recalled renectively their and Huogary are each putting own severe problems last up one-sixth of the money. Winter, when the bad weather Czechoslovakia itself expects to hampered coal deliveries to the receive the first tranche of towns of central and northern hower, in 1984, via a new 750-Poland, which rely on it for kilovolt "supergrid" intercondistrict heating. When people the component the control of the component the control of the the biggest Comecon commit- replied.

THE NON-COMMUNIST world ment to nuclear power outside leaders at the Tokyo Economic the USSR itself, with four Summit-ied, it would seem, by Russian-designed resetors operating and seven more under construction or planned for a firm declaration in favour of service in the 1980s. Poland nuclear energy as the alterna- plans to start building its first tive to oil. The Communist bloc. nuclear unit at Zarnowiec on led by the USSR, the world's the Baltic next year, with a

But the Russians remain mindful of the dangers of nuclear proliferation. The nuclear fuel cycle stays firmly install nuclear reactors of Rus- under Moscow's control. Uranlum will he enriched in Russia and all spent fuel will he returned for reprocessing and storage of the plutonium hy-product The USSR itself is one of the world leaders in developing the plutonium-hurning fast breeder type of reactor, and has 600 MW demonstration, similar in design to those of France and Britain, helieved to he close

Nor, it would seem, are Comecon's ambitions confined to meeting their nwn fast-expanding requirements for electricity. In the West they perceive not only a fragmented and fragile nuclear industry but one which, in the U.S., West cal importance of electricity and but one which, in the U.S., West its supply. Now the USSR Germany and elsewhere, is in appears to have recognised the disarray as a result of the

They see iodecision among leaders at a time when all the world urgently needs to take firm decisions in energy and them with utmost

In short, they see their big noportunity to break into nuclear exports. The Comecon power part sees an opportunity to try to market reactors and

#### Hypothetical

In Warsaw the other day For example, they are rapid nuclear developments already collaborating on the conmight he loviting the kind of struction of a large new nuclear opposition—often from the nower station in the Ukraine, pulitical leftwing — currently planned to have four 1.000 MW bedevilling Western leaders. bedevilling Western leadersreactors. Czechoslovakia, Poland They recalled reflectively their necting the Comecon countries, are cold they soon forget the Czechoslovakia already has hypothetical bazards, they oil, its traditional basic indus- protection. islands, continue to decline.

baving to close down. A reduc-tion in fish landings is hlamed on over-fishing by foreign hoats in Shetland waters in the absence of any regional fishing policy. Meanwhile, women are no longer content to knit when they can earn more for less arduous work in the oil-related industries.

Shetland's fishing industry in general presents a dismal picture. Anger and frustration at Whiteball's failure to achieve any protection for Shetland has prompted the Shetland Islands Council to "go it alone" in discussions with the EEC. There is a growing militancy among Shetland fishermen in their demands for some form of exclusive fishing limit. The very minimum they are pre-pared to settle for is 50 miles, with some agitating for a 200mile limit tied to some form of

#### Blockade talk

There has been some talk of Stewart, the councillor who In what some regard as a Shetland's knitwear industry, a blockade of Suttum Voe by the Shetland fishing fleet to prevent oil tankers from entering fishing for its economy, sees cil's Charitable Trust bas emotions, however. For generating the port with crude open rehellion by the fishermen decided to allocate up to tions, the Shetland "wifes"

WHILE SHETLAND'S booming oil. The fishermen see the oil unless urgent measures are economy continues to prosper terminal as a powerful lever in introduced to protect Shetland's as a direct result of North Sea

tries of fishing, fish procession. The Scottish Office has made and knitwear, which are central clear that it would not support to the non-oil economy of the any exclusive fishing area for the Shetland fleet around its Some fish processors are own shores. At the same time, the Department of Agriculture and Fisheries has told the



THE SHETLANDS

fishermen that there was "in-sufficient scientific evidence" for a further extension of the pout box—the area in which fishing for pout is forhidden in order to protect immature white

A total han on North Sea

herring fishing has seen Shelland's bigger hoats scooping up the mackerel off Cornwall which themselves seem under threat nf heing fished out of existence like the berring. Mr. Henry

BALTASOBRO - UNST The overall picture has not

Traditional industries on an oil-slicked slope

BY OUR SHETLANDS CORRESPONDENT

heen improved by Norway's decision to han industrial fishing in its waters, a move which is likely to direct Norwegian hoats and those of other nations fishing Norwegian grounds towards Shetland's own grounds.

Last year saw the closure of two large fish processing plants, and Mr. Arthur Nicolson, chairman of Shetland Fish Merchants' Association, said 1978 had been disastrous for the fishing industry. Landings in Shetland were about 20 per cent down while overall Scottisb landings were up. The shortage of fish had meant that workers had been offered as little as two or three days' work a week.

Attempts by the Islands Councit to obtain a restriction on the size of boats permitted to fish in Shetland waters were rejected the Government on the grounds that such a course would he discriminatory and that the EEC would not accept it. The plan would also have prevented the larger Shetlaod hoats from fishing in their own for huying premises and plant grounds as well as keeping other but full details have still to he fleats out fleets out.

have knitted Fair Isle jumpers, affluent society so women are dexlerity.

#### A pittance

But all that has changed as paid lobs have gone."
far as younger women are con-While their mothers cerned. might be content to earn a pittance al knitting, they can pick up good money in niirelated jnbs and can even be paid for travelling to their work. So while there is a record demand for Shetland knitwear, the numbers of knitters, along with the industry, are declining.

The body of the jumper or pullover is knitted in about half an hour on a knittting machine. but the Fair Isle yoke is done by hand and this, depending on the experience of the knitter, can take about two hours. A knitter can make up to threeor four jumpers a week and will be paid between £3-£4 per item. Many Shetland women see this as little short of slave labour. The knitwear firms which.

interest to take account of flucemploy the women, although realising their very existence is tuations in husiness. The larger part of the money is earmarked threatened, see little point in any financial aid even if it was available. They would only be able to pay higher rates for a

pullovers, gloves, and scarves not going to sit at home and with amazing speed and knit. We are now left with only a hard core of knitters. We have got to try to educate the young ones. The time will come again when Shelland women

will need to knit once the highly Every traditional pursuit and all the service trades in Sbetland have not escaped what they regard as the oil job menacc. Their workers have been wooed hy and wedded to highly paid, oil-related work. Even the local bakers have been affected with 11 bakers having left the trade since 1976 and no new appren-

#### Inflation

tices coming forward.

The council, in response to growing demands for some safeguards for traditional indus-trics, held a one-day conference in March to consider what political or financial action should be taken to help the non-oil-related economy. Mr. Jack Burgess, the council's director of research and development. sald service industries and commerce had been affected by loss of labour and attempts to combat the aituation had themselves added to local infla-tion. Public hodies continued to money ran out.

The owner of one knitwear firm said: "We are living in an overy difficult."

The owner of one knitwear petition with other amployers overy difficult.

# Goldhills Pride has edge

today is the Gosforth Park Cup run over five furtongs at Newcastle this evening, and the three that I like best in this highly compositive handicap are Goldhills Pride, Raffia Set and

#### RACING

BY DARE WIGAN

Of these, Raffia Set has performed consistently well since joining D. Elsworth's Salishury stable, his most recent effort consisting of a creditable fourth to the Wokingham Stakes at Royal Ascot. Cottam Rocket was well heaten hy Eagle Boy. who ran Dare Me close in a valuable sponsored bandicap at Ascot last Saturday. He looks certain to go close to winning here, hut the one I like hest is Goldhills Pride.

hehind Ahomoora at the Epsom Derby meeting. He was at level weights that day, and hearing in mind Ahomoora's hold performace when runner-up to Double Form in the King's Stand Stakes at Ascot be is reasonably treated with 9 st

Earlier, Wren Rocket, who stayed on well when acoring over five furlongs at Sandown on June 15, will have her work cut out to concede 8 lh successfully to Sandia in the Fawdon Fillies Stakes.

Steeple Bell and Show of Hands are the likely winners of the two divisions of the St Oswald Stakes. And unless there is a useful newcomer in the field, Shaarid will probably win the Angerton Stakes.

Henry Cecil's Newmarket stable is in good form and may pick up a couple of races at Doncaster this afternoon with Double Meaning in the Stockil Stakes and Cartridge in the

A fine sprinter, Goldhills Spurry Handicap. Chop Gate. Pride finished a close fifth formerly trained by Cecil, but now with Jeremy Tree at Beckhampton, is suggested for the Londesborough Handicap.

The programme at Lingfield this afternoon is not particularly exhilirating. However, Rushmere, successful over two miles at Sandown the other day, and before that over the same distance here, can complete a hat-trick of wins in the Hamsell Handicsp.

> LINGFIELD 5.00-Rushmere

S.33-Shaarid

DONCASTER 3.45—Chop Gate\* 4.15—Double Meaning 5.15—Cartridge\*\*

HIV

SCOTTISH

NEWCASTLE 6.15-Steeple Bell 6.45-Wren Rocket 7.35—Goldbills Pride\*\*\* 8.05—Show of Hands

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1.20 pm Report West Headlines.
1.25 Report Wales Headlines.
1.25 Report Wales Headlines.
5.15 Gambil. 8.00 Report West.
8.15 Report Wales.
8.30 Emmerdals Farm.
8.00 The Incredible Hulk. 10.35 Report Extro.
11.05 The Late Film: "The Ghost and Mr. Chicken."
HTV Cymru/Wales—As: HTV Generel Sorvice eacept: 1.20-1.25 pm Penewdau Newyddion Y Dydd. 4.15-4.45 y Rheinoseros Mawr Uncom. 6.0-8.15 y Oydd. 10.35 Camere. 11.05 Outlook. 11.50-12.45 am The Outsiders.
HTV West—As HTV Generel Service except: 1.25-1.30 pm Report West Heedlines. 6.15-6.30 Report West. ALDWYCH, CC. 836 88 08. Inf. 838 5332, ROYAL SNAKESPEARE COMPANY In repertoire Ton't. Temor 7,30. Low price prevs. John O'Keeffe's WILD DATS "Smash-hit a reposity lundy evaning." Punch, With: ANTONY AND CLEOPATRA Isold out until 13 July Bulgakor's THE WHITE GUARD (next pcrf, 9 July).
RSC also at THE WAREHOUSE (see under W).

1.25 pm News and Road and Westher. 5.15 Gambit. 6.00 Gootend Today. 6.30 Emmerdale Farm. 8.00 The interduble Hulk. 10.30 Weys and Means. 11.00 Late Call. 11.05 Appointment With Feer—" Slind Torror," elarring Mia Ferrow. SOUTHERN 1.2 pm Southern News. 5.15 Happy Days. 6.00 Oay By Oay. 6.00 Scene South East [South East area only]. 5.30.Whai's On Next? 10.30 Weekend. 10.35 Opinions Unlimited. 11.05 10.35 Opinions Unlimited. 11.05 Southern News Extra. 11.15 Soeo. 11.45 The Lais. Laie Premiere: "The Bautelisation of Franz Blum."

TYNE TEES 9.25 am The Good Word Iollowed by North East Nows Heedings. 1.20 pm North East News and Lookargund. 5.15 Laveme and Shirlay. 6.00 Northern Lilio 6.25 Sportstime. 8.0 Incredible Hulk. 1.30 Friday Livs. 12.00 SWAT. 1.00 am Epilogue.

ULSTER 1.2 pm Lunchtume. 4.13 Uleter News Haadings. S.15 Gembt. 5.00 Ulster Television News. 5.30 The Freches. 2.00 The Incredible Hulb. 10.30 Fridey. Film: "Demetrius and the Gladiators," starring Victor Msture. 12.20 pm Sed-

WESTWARD 12.27 pm Gue Honeybun'e Birthdays.
1.20 Westward News Headlinea.
5.15 Emmardele Ferm. 8.00 Westward
Onery. 8.35 Time Out. 10.32 Westward
Late News. 10.36 Nowsmanth for
Jono. 110.55 Lats Night Move:
"Psyche 59," starring Paincia Heel
ond Curt Jurgens. 12.36 pm Faith for
Life. 12.40 West Country Weather.

YORKSHIRE 1.20 pm Calendar News. 5.15
Mekin' It. B.00 Calendar IEmley Moot
and Belmont eds). 6.35 Calendar
Summer Soort. 8.00 The Incredible
Hulk 10.30 Calendar—Tha Grumblewooda. 11.00 'The Wicker Man,'
sterring Edward Woodward.

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#### Indicates programme 6.49-7.55 ant Open University firs high frequency only). You and Me. 11.20 For Schools. folloges 1.05 pm Teleffant, 1.30 Pleaos and Tails, 1.45 News, 1.58 Wimbledon 79: Commentaries,

8.15 The Marti Caine Show.

and South-East only i. 10.45 Regional, National News.

Northern Ireland on capital

& Bare pass of humble origin

13 Party cats for unsympathetic

14 Birds in the main take care

16 Dispute that could make

18 Spirited alternalive turns up

parly performance (7)

21 All the competitors stop the

pennle train (3, 6)

of doctor in jester's cap (8)

employing . . . (7)
. . . a tie men knotted during

a student of the enuntry (5)

Cautinus of causing conflict

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UNCLE OEN ITS WE

before end of day (4)

around seddle

of Connemara 17)

7 Distance

fastener (5)

strike [4, 6)

Oval hall (5)

news, results, 4.18 Regional News \$10.50 The Late Film; "One F.T. CROSSWORD PUZZLE No. 4.008

AUROSS 1 Fancy things come down here as one sleeps 191.

10 Line upon line of domestic 11 Spy 25 out to make a search (5, 5)

17 Tilly eleck threatening king? 19 Times do change for a dress-

20 Balmy like this paper (4) 22 Social snoh with beard on 23 Are you literally right with watch (4, 6) 25 Open for a poet to share 24

surgery (9)

27 Purchase divine interior

#### DOWN

1 Birds disliked by some strikers (5) 2 Complicated by the Spanish

4 Insult upset foutball leaders on promeaude (7)

9.25 Petrocelli. 10.15 Tonight in Town (London

(Manchester) Home Ground: South (Southampton) Report South; South West (Plymnuth) Peninsula: West | Bristol) Public

2.00 pm Wimhledon 79. 7.42 Mid-evening News.

7.55 Heads and Tales. 8.19 Gardeners' World.

10.05 Around with Alliss, 10.33 Wimbledon highlights.

11.55 Betty Boop Cartoon, 12.00 Handful of Songs, 12.10 pm Stepping Stones. 12.30 The Sullivans.

#### RADIO 1

16) 6ts reophonic broadcast 5.0 sm As Rodio 2, 8.00 Oave Lee Travis, 9.00 Simon Estas, 11.31 Paul Burnati 2.00 pm Tony Staskburn, 4.31 Paul Gambactini, 6.31 Round-

#### RADIO 2

RADIO 2
5.00 am Nowe Summary. S.02 Tony Brendon (S). 7.32 Torry Wogen (S). 12.15 pm Waggoness Valk. 12.30 Pete Murray's Ocon House train Great Yermouth (S) Lont. on VHFI. 2.03 Wimbladon 75. 7.02 The Grumbleweeds (S). 7.30 Sports Dask. 7.33 Fiesta de Dorite (S') 9.02 Ronnie Aldrich conducts the 88C Radio Orchealrs (S). 8.55 Finday Night is Mueic Night (5). 9.55 Sports Desk. 7.30 Fiesta de Dorite (S') 9.02 Ronnie Aldrich Conducts the 88C Radio Orchealrs (S). 8.55 Finday Night is Mueic Night (5). 9.55 Sports Oesk. 10.02 Victor Silvoster J/ et the Radio 2 Sellroom. 11.02 Brion Meuhaw et the Cruchle Theatre, Shoffield, with Round Midminit. 12.00 News. 2.02-5.00 am You and the Night and the Music with Tim Gudg. 154.

26.55 am Weather, 7.0 News, 7.08 Overture, part 1 (5), 8.00 News, 8.05 Overture, part 2 (5), 9.00 News, 9.05 This Weck's Composer, Tipoen 15, 10.05 Young Artists' Regital (S), 11.10

8.00 Hawaii Five-O. 9.00 Kids. 10.00 News.

12.45 Close: Personal choice with Richard Briers. All IBA Regions as London except at the following times:

1.25 pm Anglia News. 5.15 Bailey's Bird. 6.00 About Anglia. B.00 Chipe. 10.30 Probe. 11.00 Friday Lare Film: "The Underworld Story." 12.40 am Your Music at Kight."

ATV 12.30 pm Gardoning Today. 1.20 ATV Newsdost. 5.15 Makin It. 6.00 ATV Today. 8.00 The Incredible Hulk. 10.30 Mary Hartman. Mary Hartman. 11.00 The Tough Guy Movie: "The Gun of Zangare."

1.20 pm Border News 6.15 Garnock Way. 6.00 Lookeround Friday 8.30 Heppy Oays. 8.00 Fantasy Island. 10.30 Border Month. 11.00 Laie Film: "The Innocente." Blaring Oeborah Korr. 12.45 am Border News Summary.

1.20 pm Channel Lunchima Nows and Whot's On Whare, 5.1S Emmerdale Farm, 6.0 Roport at 5:r 6.35 Freeda of Man. 10.22 Chennel Late News, 10.32 Arma and Armour, 10.55 Late Night Movia. 12.35 am News and Weather in French. GRAMPIAN

GRANADA

S.00 am As Radio 2. 5.30 Rush Hour, 9.00 London Live, 11.40 Lobby, 12.03 pm Call In. 2.03 206 Showcass, 4.03 Home Run. B.10 London Sports Ocak, B.35 Good Fishing, 7.00 Look, Stop, Listen. 7.30 Sleck Londoners, 8.30 Track Record. 10.00 Late Night London. 12.00-5.00 am As Radio 2.

FORTUNE 836 2228. Evs. 8.00. Mals. Thurs. 3.00 Saturday 5.00 and 8.00. ACATHA CHRISTIE'S MURDER AT THE VICARAGE FUNTH GREAT YEAR. COLISEUM. Credil cards 240 9258.
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BY JAMES SAUNGERS.

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"WHEN WE HAYE LAUGHED AT ITS

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UT'S BEEN SAURGERS.

"WHEN WE HAYE LAUGHED AT ITS

WIT. BEEN NELO IN THE GRIP OF IT'S

DRAMA AND REVELLED. IN THE

COLOGIES OF SOURCE WAS AND

HEARTS. DINSDALE LANGENS PER
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IS THE REST DEFFORMANCE IN A

MODERN LONDON." E. MEMS.

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ALAH AYKENDROM FARCE. This comedy "If you don't laugh, size me." 0. Eap. A Hatidasi Theatra Production.

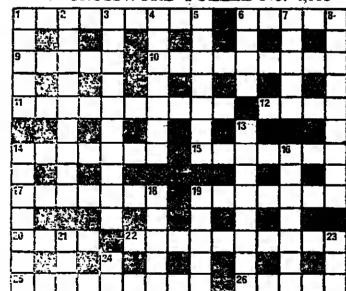
## STYS FROM BRAZIL (X), Progs. 2-20.
4.55, 7-40.

CLASSIC 1, 2, 3, 4. Oxford Street, 6-36.
03-10 topo. Fottenham Court Rd Twol.
1: Trid BUGOY NOLLY STORY (A).
11 tall sterephonic sound, Frogs. 1-3.
3-55, 6-10. 6-20.
2: THE WARRIORS (X) Progs. 3-25.
S 50, 8-15.
2: THE WARRIORS (X) Progs. 3-25.
3-7 That SUMMER (AA), 2-15. 4-20.
6-15 ## STORY FRED MOVIE (XI: Orgs. 1-25, 3-45, 5-55, 6-10).
CLASSIC Leicester Square, 01-930 6915
DEATN COLLECTOR (X), 2-55, 6-05, 8-15. MEAN BOG BLUES (X), 1-10.
4-20. 7-30.

MOW BUNNES BOOKING.

OSEON. LEICESTER SQUARE. 930 6111.
MOONRAKER 1A. See, peris, Wks. doors open 8.05. 1.00. 4.20. T.45. Sen. goors open 1.00. 4.20. T.45. Lein. goors open 1.00. 4.20. T.45. Lein Night Show Turk. Sat. doors open 1.1.15 pm. All sats bidle in advance at Box Office of by post Except morning peri & Laie Night Show. OBEON MARBLE ARCH WT. 723 2011-2.
THE SHAPE OF THINGS TO COME IAL.
Seb. perfs. wks. Doors open 2.00, 4.45.
7.45 Son. doors open 2.00, 7.15. Lave
Hight Show Fri & Sat. doors open 11.00
om. PRINCE CHARLES, Lett. Sq. 437 6151.
Oustin Vaneess Recarave PRINCE CHARLES, Lerc. Sq. 437 5151.

Oustin
Outsin
Forman
AGATHA (A)
PROGRAW
Sop. Peris. Olv. Linc. Sun.; 2.30, 5.55.
8.35. Late Show Fri and Set. 11.15.
Seets Spotentie. Licensed Sar.
SCENE S. Leic. Sp. (Wardour \$1.1.429
4470. A Mol Brook's Double Tiess
TOUNG FRANKENSTEIN Double Tiess
TOUNG FRANKENSTEIN (AA)
1.40.
5.20. R.55. SILENT MOVINGAN, 1.40.
5.21. R.55. SILENT MOVINGAN, 1.40.
5.21. TIES DEEP MUNITER (X. 12.45.
1.1 THE DEEP MUNITER (X. 12.45.
1.30. Late Show \$1.10.50.
3. A Agatha Christian Death on The
NILE IA), Progs. 2.50. \$2.55. N.10. Leth
Show Sat. 10.40.



5 Fleudish protest march hy

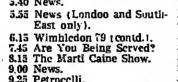
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12 The strental makes you old-(astioned 14) 14 Instituti upon silent type tocache teorises (7) 13 Lever blackbard towards pub-

maker (7)

26 Fish and chip shopkeeper, they say, puts man in order from mate (5) 28 Lot of lofty timber (5, 4)

sailer having to spout (9) 3 Set off to leave discernible



# for England lexcept London). 4.20 Play School (as BBC2 11.00 aml. 4.45 We are the Champions. 5.10 Lassic. 5.35 Fred Basset. 5.40 News. 5.55 News (Londoo and Soutti-National News. Wales—1.30-1.45 pm Bys a Man's Way "starring Don Murray. All. Regions as BBC1 except at the following times: Scotland—5.55-6.15 pm Reporting Scotland. 10.15 Beechgrove Garden. 10.45-10.50 Regional. National News. Wales—1.30-1.45 pm Bys a Thames News. 1.50 Design. 2.00 International Golf. 4.15 Midnight is a Place. 4.45 Paul. 5.15 The Brady Bunch. 5.45 News. 6.00 Thames at 6. 6.30 Emmerdale Farm. 7.00 The Krypton Factor. 7.30 Wioner Takes All.

Heddiw. 6.35 Join BBC1 (Wim-hledon). 10.15 Kane on Friday. 10.45-10.50 Regional, National Northern Ireland-4.18-4.20 pm Northern Ireland News. 5.55-6.15 Scene Around Six. 10.15 Public Enquiry. 10.45-10.50 Regional,

National News. England—3.55-6.15 pm Look East (Norwich); Look North Leeds. Manchester, Newcastle); Tidlands Today (Birmingham); Points West (Bristol); South To-day (Southampton): Spoilight South West (Plymouth). 10.15-10.45 East (Norwich) Encounter: Midlands (Birmingham) Tell Me . Rcg Prentice: North (Leeds) Direct Line: North East tNewcastle) Roundabouts . . . The Last Two Weeks in June; North West

BBC 2 6.40-7.55 am Open University.

8.05 Westminster. 9.00 All Creatures Great and Small. 9.50 Kilvert's Diary.

†11.40 Salute to Chaplin:
"Shoulder Arms" and
"The Pilgrim."

LONDON 9.30 am Schools Programmes.

Burnati 2.00 pm Tony Slaakburn, 4.31 Paul Gombaconi. 6.31 Paul Gombaconi. 6.31 Roundable. B.00 Andy Peebloa. 9.50 Hawsbeal. 10.00 Tha Friday Rock Show (S). 12.0-5.00 em As Radio 2. VHF Radios 1 and 2—5.00 am With Radio 2. 2.03 pm Pre Murray's Opon Nouac Irom Great Yamouni (S) (cont. Irom Radio 2. 12.30 om). 2.30 Oavid Hemilton (S). 4.30 Waggoare' Walk, 4.55 John Ounn [S]. 7.00 With Radio 2. 10.00 With Radio 1. 12.00-5.00 am With Radio 2.

10.30 A Question of Sex. 11.15 The London Programme. 12.18 am Electric Theatre Show.

**ANGLIA** 

BORDER

CHANNEL

9.20 am First Thing. 1.20 pm Gram-oran Newa Hoadlinea. 8.15 Emmordole Form. 6.00 Grampian Today. 8.35 Naopy Ooys. 7.03 Tho Enterteinors. 10.30 Reflections. 10.35 Points North. 11.35 England Their England. 12.00 Jozz Concert [Alex Welsh and his Band). 12.30 am Grampian Lato Night Head-lines, followed by Rood Regort.

1.20 pm Certoon. 5.15 The Rolf Harris Show. 6.00 Granoda Regorts. 6.30 Oh Ho It'e Selwyn Frogont. †10.30 Hitchock. Jool. McCraa in "Foroign Correspondent." aBC Northorn Ircland Orchostra 15).

11.55 in Short (lalk). 12.05 pm MidJay Cancor. part 15). 1.00 News.

1.05 Playbil 151. 1.20 Mrdday Concort. part 2 15). 1.55 Cornell University Giee Club (51. 2.40 Dohnanyi
concert 15). 3.45 Manchester Camerala
151. 4.35 William McGibbon concert
(S1. 5.25 Homeward Bound (51. 5.45
News. S.50 Homeward Bound (51.

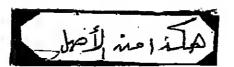
RADIO 4

B.00 sm News Briding. 6.10 Forming Today. B.25 Shioping forecast.
6.30 Today. including B.45 Prayer for the Osy. 7.00, 8.00 Today's News.
7.30, 8.30 News Haadings. 7.45
Thought for the Osy. B.35 Yestarday in Parliamens. 8.59 Considerations 7.45
Thought for the Osy. B.35 Yestarday in Parliamens. 8.59 Considerations 7.50 Reports with George Gale at 3.00 News. 9.05 Babor is open LBC Reports with George Gale at 3.00 News. 10.00 Brien Hayes. 1.00 pm LBC Reports with George Gale at 3.00 News. 10.00 Night Extra.

Oozen. 10.00 News. 10.05 From Our Own Correspondens. 10.30 Gally Service 10.48 Morning Slory. 11.00
Oown Your Way visits the Isle of Man. 11.40 Announcements. 11.45 Listen With Mother 12.00 Hews. 12.02 pm You and Yours. 12.27 The Enchantung World of Hinge and Bracket (S), 12.55
Westher, programme news. 1.00 Tips 9.00 Nicky Hotno's Musmys Weekly World at One. 1.40 The Aichers. 1.55
Shippint Torecast. 2.00 News. 2.02
Shippint Torecast. 2.00 News. 2.02
Women's Hour. 3.00 News. 3.05 RADIO 4

Altomoon Thours (S). 4.00 Hows.
4.05 The Voyege of the Alceste to Chine. 4.35 Story Tims. 5.00 PM; News Msqazına. 5.50 Shipping lora-cast. S.56 Washer: programme news.
6.00 Naws. 8.30 Going Places. 7.00 Naws. 7.5 The Archers. 7.20 Pick of the Wask (51. 8.10 Profile, 8.30 Any Questione? 9.15 Letter from Americe. 9.30 Koleidoscope. 8.59 Washar. 10.00 The World Tonight. 10.30 Wook Ending [S). 10.55 Sounding Off with OI. High Mellor. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliemant. 11.45 Just Belore Midnight. 12.00 Nows.

( ملذ امند للصل



#### THE ARTS

# Spaced out by Bond by NIGEL ANDREWS

Odeuns Kensington, West-bourne Grove and Chelsca

nonraker. James Bond's t movie appearance, is the tional zuppo inglese of isions, exitic locations and de entendres. This ageless, tless British agent has the structability of a cartoon acter. Ho has lived through



nraker (A) Odeon Leicester Square Europeans (A) Summer! (AA)

> book?)—and the general space-orientation of the plot. But otherwise it's the customary designed-from-scratch assault course on the filmgoer's credu-lity—shuttling Commander Bond from one eye-catching locale 10 another, including Venice, Rio and Outer Space, and bauling him through as many close encounters, of both the comba-tive and the amorous kind, as is possible in a two-hour film.

But Moonraker has a more

subtly presented villsin than usual, black-bearded and cour-teous Michel Lonsdale, and the camp self-awareness of the Bond series bas reached a stage of almost relaxed sophistication. We are happy to join in the Conspiracy of Awful Jokes— "Moneypenny, where'a 007?" "Moneypenny, where'a 007?"
"He's on the last leg of his journey, sir"; cut to Bond'a hand caressing an air stewardess's thigb—and set designer Ken Adam, who obviously has the riches of Babylon to play with, creates effortless visual wonders wherever he aets down his drawing-board. The space station to which Bond and his CIA-agent girl-friend (Lois Chiles) finally come in their mustiff of Drax come in their pursuit of Drax screen in this adaptation of is a glorious parody of Charles Henry James's early novella, de Gaulle airport: with inbeshaped corridors criss-crossing in demented complexity. Adam also devises a pleasant little jungle retreat for Drax in deepest Brazil, where the python romps amid indoor mangrove swamps, and where Drax batches his nasty plot for world-domination involving lethal detonations of poisonous-orchid

cr (A)

Odeon Leicester Square ropeans (A) Curzon amer! (AA)

Classic Oxford Street, euns Kensington, West-irne Grove and Chelsca dor

ICA

As far as I remember from my loog-ago reading of Ian present movie bears bardly the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is another tradition of the skeleton of a resemblance to it. This is

The usual certifiably madcap cbases abound—a cable-car showdown in Rio, a boat chase on the Amazon, sundry en-counters with the steel-toothed hit-man "Jaws" (resurrected from The Spy Who Lored Me and played again by Richard Kiel)—and the usual bevy of females drape themselves over Roger Moore's wryly flattered frame. But the miracle of it all -wrought partly, no doubt, by sheer box-office confidence-is that there is no hint of the catch-penny desperation so often found in Bond's imitators. The makers of Moonraker-producer Cubby Broccoli, director Lewis Gilbert, writer Christopber Wood—look as if they could make a Bond film standing on their beads with their eyes sbut. Perbaps, with the next one, they will. What other gimmick could follow Bond's single-banded conquest of Outer Space?

The star of The Europeans is the New England Fall. Rambow colours pour down across the screen in this adaptation of union between a strait-laced American family and the Europeanised cousins, a brother and sister, who came to visit themperhaps to settle down-bring-ing clouds of Old World decadence and sophistication into the prim, polished ballways of Massachuaetts.

James Ivory is a director with

an odd, oscillating style. Some British life: about four teenagers tiones he goes in for camp and surreal extravagance, as in Sovages and The Wild Party: sometimes, as in Roseland or Autobiography of o Princess, for a sort of poignant, refined sentimentality. The second is to the fore in The Europeans: plus a new and luminously expert sense of irony. This is not quite the story that James wrote. James kept hitting us over the head, in the nicest possible way, with the irreconcilability of European and American mores, livory brings the opposing partles a little nearer to each other. Thore is a recognisably New England fastidiousness in Lee Remick's beautifully poised, Lee Remick's beautifully poised, shop to spend the summer on Gloconda-smiling Eugenla — the the beach hiring out boats. The older of the cousins from Europe two girls (Emile Moore and —and an unspoken sense of oh- Julie Shipley) relieve the daily what-we-are-missing in the grind of their jobs as holel poker-backed propriety of the chambermalds by dating the Americans.

Bot the star, as intimated The only point of resilient above, is the sturning autumn interest in the film is David colouring. Nor is it purely Watkins's cinematography. Watdecorative. Ivory sites the story kins, who shot Dick Lester's in a time of polgnant flux, in which the characters are reaching for emotional lifelines graphy in which light pours before the onset of old or middle through windows and every white surface gives of a darking which is a surface given the surface gives of a darking which is a surface given the surface gives of a darking which is a surface given the surface gives of a darking which is a surface given the surface gives of a darking which is a surface given the surface giv age. The courtship rituals white surface gives off a dazzling between the two branches of the sbeen. It's lovely to look at between the two branches of the family mix sexual magnetism with a faint, fraught hint of facture has been. It's lovely to look at: but it first upstages and finally with a faint, fraught hint of capsizes this film's worthy, fortune-bunting—or rather ploddy attempts at naturalism. stability-bunting—and in the "Ey!" says one of the girls, dialogue the Jamesian circum. locutions, lovingly adapted by screenwriter Ruth Prawer Jhabvala, are like elaborate pincer movements before the amatory and contractual battle Watkins-esque holocaust of light of marriage is joined. The film's pinpoint timing and through which no single object is even vestigially visible. Watexactitude of mood, above all kins's visual style is a pleasure its air of wise-and-funny melancholy. lift this James adaptation far above the TV Classic Serial format to which its cornucopia of Pretty Pictures might tempt and flamboyant setting than this to work in. unwary to a facile

Mark Rappaport, the New York independent film-maker Thot Summer! is a poky and who specialises in angular, stylestruck melodrama vaguely in-spired by 1950s Hollywood Women's Pictures, has his Local Color ahowing at the ICA from this week. The film was made in 1977 and has since been outstripped by a far better Rappaport movie-The Scenic Route. But for addicts the mixture, though diluted, is recognisably Rappaport; the novelettish voiceoff narration, the staring-out-to-



Teresa Stratas and Jon Vickers in I Pagliacci

Covent Garden

# Cav & Pag by MAN LOPPERT

nesday was a sorry mess, a disgrace to the house. I Pogliacci. on the other hand, though spotted by the same tokens of under-rehearsal both musical and dramatic that had so stained the companion piece. ness by the presence of Jon their case was argued for them, with distressing finality, by the

Royal, Opera itself, Is Cor really worth doing any more? When it is well done, we oray still feel that it is; when slapped on with provincial disregard for musical and dramatic in Bruno Bartoletti, a distinguished conductor of Penderecki, Shostakovich, and Prokofiev making his Covent Garden debut, orchestral

Cossotto gave an unintelligent streetfighter — a luminous, account of Santuzza's role, which imagical performance. 1A voice she played in hursts of wild, of such frail substance ought very coarsely—the once adaman- how glad we are that it does!) tine mezzo reveals now signs of wear, and, in the conductor's was taken to the edge of great- defence, it must be said that its emission was often as hard to 1961, remains one of the tower-Vickers. Teresa Stratas, and follow as a coursed hare. A ing operatic assimptions of Peter Glossop, Critics are often single, flickering point uf our day. A sentence in David Peter Glossop. Critics are often single. flickering point uf our day. A sentence in David reproached for unjustly boostinterest was the return to the Cairns' essay (in @esponse's) tog the merits of the Leonce-bouse of Ermanno Mauro, shows still catches its essence: "When yallo above those of the ing as Turiddu that the votce has Vickers plays att introverted in the content of the catches its essence." Mascagni. On this occasion, put on weight without sacrificing character gnaded to violence their case was argued for them, too much of its former cleanli-... the whole house sits as

When Peter Glossop stepped could on Wednesday be found before the curtain, the relief wanting (though the tenor in the house was almost especially was in bright, free coherence, whal a hore! Under palpable: here, at last, was a voice): faced with such performer with a native sense of oneratic cause and effect, ness, it was hard to care. A Mr. Glossop's Tonio has become word, too, for the imaginative a powerful portrayal, rather tuo Beppe of Francis Egerton, and and choral ensemble was in rags, Alberich-like to suit all tastes. Jonathan Summers first Gwent which complemented to a nicety perhaps, but hold, detailed, and Garden Silvio—not yet fully

Covalleria rusticano on Wed- hy Richard Gregson. Fiorenza elfin in impulse, plucky as a meaningless activity, and sang not to undertake the role, but

The Camp of Jon Vickers. seen here for the birst time since ness. In present company, his though on the edge of a inert stage presence was trans-lated into a virtue.

Hy the accepted canons of good style in Italianate singing, all three exemplars of dramatic truthfulthe tatters of the Zeffirelli pro- vigorous. Miss Stratas was a alive to all its upportunities, hut duction as threaded logether tough, sad waif of a Nedda, soundly sung.

#### eatre Royal, Stratford East

#### The Caucasian Chalk Circle

by B. A. YOUNG

berate naivety, pretty items oy scenery establish the tion-two arched doorways try secues. A shame that and Weill, none the worse for ing could be done for the that. te, mentioned but not n. Jonny Tiramani is the

ted to an unsophisticated one plays more than one part; realistic style.

e Caucasian Chalk Circle audlence. No one aims at indeed 13 players manage 58 fulk-tale, two folk-tales subtlety, and quite rightly— characters between them.
Ily, and Innathan Chadwick subtlety in these primary— At Tuesday's preview, which lirected them in an appro- coloured parts would be as I went to in order to avoid the ust colourful backcloths of with her simple, obstinate affection for the disputed child and her soldier lover (John Ashton). She has some new songs to sing.

the neatly-dressed narrator into

e style. There are brilliant appropriate as subtlety in a elash with Greenwich, thinga mes for the aristocrats, Punch and Judy show. Deborah aeemed to be going rather ad racs for the poor, sinis- Findlay comes across movingly slowly, and the performance iniforms for the Ironshirts. · as Grusha all the same, glowing lasted the best part of three bours. I confess that there were times, wheo the Brechtian traverse-curlain was pulled across to allow for yet another Caster Day, little rooms or es, only just big enough to into and out of, for the and Weill, none the worse for the that and Weill none the worse for the that the use of a tract argue about the use of a tract Tom Wilkinson plays Azdak of land always strikes me as the judge, with Stuart Organ at totally unconvincing, and not as his heels, having turned from relevant to the subsequent anecdotes as addicts insist. Mr. ic. acting is of the same Shauva the policeman by remov- Chadwick retains it, and has it ity, lnud and clear as if ing his jacket and his tie. Every- played in a different, more



Anthony Davidson, Tom Wilkinson and Stephen Tiller

#### Hammersmith Palais

antiquated-looking slice

comparison.

# Rockpile

One of the surprises in concert camera heroine, the studen going is the size of the audience, bursts of hlack comedy, the Names famons from Las Vegas wittily deadpan tributes to the to Batley can fail to fill the Glory that was Hollywood. unknowns create queues around the block. In rock music it is recognition at street level that

matters. So il was at the Hammersmith Palais on Tuesday which was packed to the limit and beyond for Rockpile, a cult group if ever there was one. It is fronted by Dave Edmunds. 3a. and always a rather peripheral figure in the business, and Nick Lowe, best known as the producer of the first punk records but now a reformed writer of some good songs. They produce separate albums but get together to kick over the traces with Rockpile.

The sound dates from around 1960, just when white country and black rbythm and blues had created the distinctive rock 'n' roll, and it is impossible to know bether Rockpile has discovered a batch of overlooked originals or is composing new old songs in some musical time warp (probably the latter). It is confident. bappy music with a good deal of bottom, but lacking the strong mclodies which separate the hits from the misses. The Nick Lowe contributions, with their individualist streaks, are the more interesting but Rockpile seem nore like a curio than a new sensation. Support group The Specials nicely combined black and while, reggae and punk, and seemed rougber but more worthwhile. ANTONY THORNCROFT

#### Rarely-seen Stubbs painting on view

An American collector has lent the Tate Gallery a painting by Stubba, which is now on view in Gallery 4. It has not heen in Gallery 4. It has not heen seen in this country within living memory, and since 1971 was known here only from a reproduction in Basil Taylor's "Stubbs," where it was called Hunter with o groom.

It can in fact be indentified as Lord Grassenor's Arabian

as Lord Grosvenor's Arobian and dated to about 1765-70, for Peter Mazell's engraving of the subject, entitled Lord Grosrenor's Arobion, from a picture by Mr. Stubbs, was published in 1771.

urcell Room

# Kennst du das Land? by DOMINIC GILL

The Songmakers' Almanac humour, poise and style. urned in the South Bank on dnesday with the las of their en Programmes on a Theme, series devised, and accom-nued by Graham Johnson. It

Even when there are guest artists, there are no stars in a Songmakers' programme: each member lends the evening its

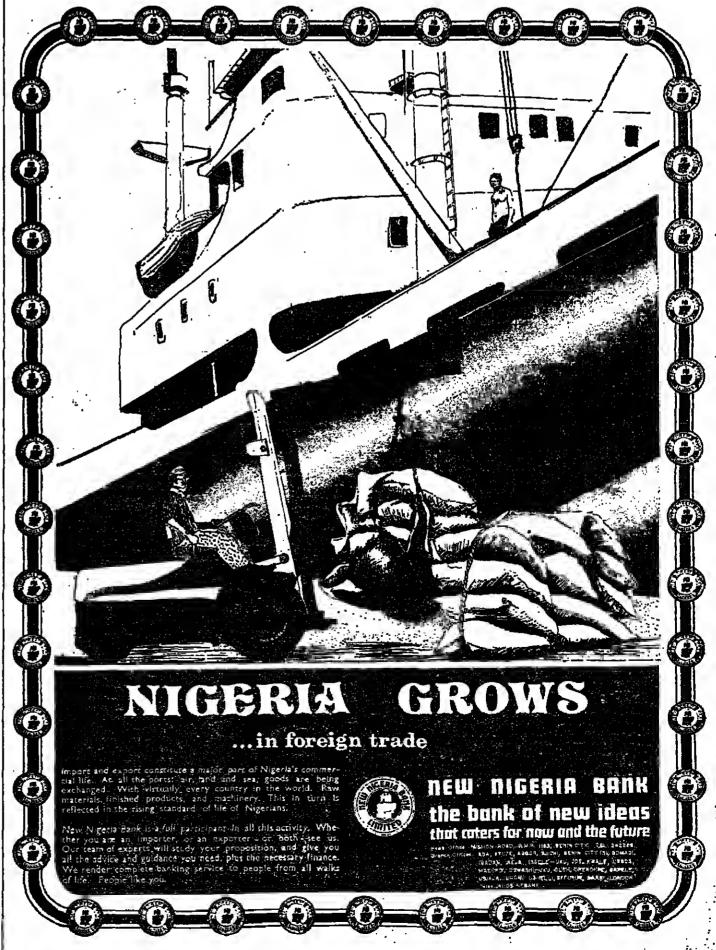
quality, and each one bis or her

while, among other things, an electrifying account of Kurt Dinge," dreamily provocative in Weih's Cosors Tod, no mere Lenya impersonation, but a stunning re-creation of the There was Anthony Rolfe John Lenya persona and spiril.

to the point of the points of high points. There was Janet Price, in the points of high points. There was Janet Price, in the point of the point of

cnya persona and spiril.

soo, whose delivery of Reynaldo Habn'a "La Barcheta," turned There was Janet Price, in lo a perfect stillness, justly



#### **FINANCIAL TIMES**

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# Confronting a split cartel

a substantially beller chance reduce oil-dependence.
than it would otherwise of However, the Geneva tionary recession.

The impact of the present agreement, which will be reviewed after only three months, should he an adequale warning of the results of inac-tion. The wide pread physical creases, meant that a further rise in negotiated prices was inevitable. The actual rise agreed, between \$18 and \$23.50, is likely to reduce world growth. already well below its trend. hy a further half per cent or more, and the growth of world trade by nearer a full point.

#### Cost pressures

The Impact in the UK will not be so much through the oll account-where a small nearterm worsening of the current halance will be offset by an enlarged long-term gain—as consum through the weakening of world to tac markets. The official forecast selves. of a 51 per cent volume growth of exports looks more than ever over-optimistic. UK output is already expected to fall by 1 per cent: the prospective recession now looks more certain.

Rising oil prices will also, of course, add to other cost pressures. After the much bigger oil price increase of 1973, consuming countries on the whole tried to offset the deflationary ket. In a growing market, how-impact through fiscal poticy, ever, they can still impose This time there is a greater scarcity and show a profit. inclination to follow the advice Mrs. Thatcher has offered in Tokyo and occept the fact of a loss of real national income. The present round is therefore likely to be more depressing to activity but rather less inflalionary than was the case in 1975, having regard to the smaller percentages involved. It represents both a deepening determination to reduce recent inflation rates before they become built into the industrialised way of life, and a passive admission that growth is passive admission that growth is would be a small price to pre-for the moment oil-constrained, vent the present situation get-

THE OPEC meeting in Geneva term policy are increasingly has produced not one but two understood. The leaders in important results. It has of Tokyo are giving much attention course produced a further sub- to the kind of strategies we disstantial rise in the price of oil, cussed yesterday—the essential which will probably average role of nuclear power in the about 15 per cent. It has also, medium term, and the urgency however, revealed the depth of of substitution into more the policy split which has re- readily accessible sources of appeared among the members energy in the nearer term. It of OPEC. In this situation firm now seems clear that long-term action by the consuming coun- growth possibilities are limited tries to reduce oil demand has hy the pace at which we can

However, the Geneva meeting checking a potentially disas-trous slide into renewed infla-more urgent action. During the more urgent action. During the disorders which have followed the crisis in Iran at the beginning of the year, the price discipline of the OPEC cartel has been swamped hy market forces.

A marginal shortage has raised hld prices so rapidly that the shortages of recent months, more militant members of the despite substantial price in group wished to maintain pressure by cutting output; and so raise prices rapidly.

> If OPEC were united in its demands, and uninterested in ne stability or welfare of the outside world, it would be hard to devise any peaceful counter to such a strategy; hut for-tunately Saudi Arabia, the largest producer with the largest serves and the largest potential for expansion, takes a broader view. The actions of Sheikh Yamani in Geneva matched his words in London. Saudi Arahla is prepared to help consumers if they are prepared to tackle the problem them-

This sounds like a moral quid pro quo, but in present circumstances it is highly practical: for if demand can be put on to a falling rather than a rising treod, then Saudi Arabian readiness to raise output to stabilise nrices could have a real impact. The militants might besitate before making disproportionate cuts in output in a falling mar-

#### Unpopular steps

The consuming countries, then, should not wait for longterm results. If we are to help our friends to help us, immediate steps not just to stabilise, but to reduce oil imports would be the most effective way to stop an endless repetition of the events of the last six months. This may involve unpopular steps by way of taxation, speed and other consumption linuts; but some small sacrifice in com-The implications for long- ting even worse.

# An unfair way to tax

POLITICAL SEX appeal is not a prominent feature of double-taxation agreements. But the UK-US, tax treaty, which is currently generating considerable controversy in Parliament, harbours a political issue within the fiscal esolerica which is of vital concern to husiness and trade all over the world. This is whether individual American state governments should be able to ininose arbitrary anr inequitable taxes on British companics operating within their boundaries, while the British subsidiaries of their own corporations enjoy the full protection of a treaty between the Federal Government and the United Kingdom.

#### Clause deleted

The British Government will be right if it gives a frosty reception to the Ireaty as amended by the U.S. Senate, which has deleted a crucial clause concerning the "unitary" system of taxation adopted by California and other states. The original draft treaty sought to exempt British companies from unitary taxalion, under which international companies are taxed not on their local profits, but on a proportion of their world-wide earnings.

Britain should refuse to ratify the treaty, at least for the imment, because of the cost of unitary taxation to British empanics, which could be about tion by the back door and \$50m a year. The immediate accounted for some of the cain to a handful of British com- Senate's opposition to the nanies if unitary taxation were original treaty. In September lifted would almost certainly be the Senate will be considering less than the loss tu other com- a domestic tax bill, introduced panies, in particular insurance concerns, if the treaty remains include an exemption for unratified. The reason for stalling on the treaty is the longer- taxation. Senators who supterm one that the Senate appears ported the amendment to the to have over-ridden principles treaty for constitutional reasons, of political equity in pursuit of rather than simply to secure narrow political gains, in a way that is inimical to interoational

principle because the method American legislature shows then that each tax authority adopts a sensitivity to the opinions of to calculate the proportion of its international worldwide income which is to partners and of its own governhe taxed in its own jurisdiction ment. Parliament should move tends to be the one most favour- to ratify the UK-U.S. tax treaty. able in itself. In California, Until then businessmen for example, the proportion of politicians in Britain, the U.S. windwide pay roll features and other countries should make prominently in the calculation, their views known on Capitol largely because labour costs in Hill.

nf unrealistic transfer prices to minimise their global tax bills. But the U.S. Senate had two

excuses for deleting the provi-sion on unitary taxation. Some Senators doubled whether the federal government had the right and duty to regulate the fiscal actions of the states, even when these affect foreign companies. Some may also have heen concerned about the idea that Britain might appear to be interfering with the relation-ship between federal and state governments.

The first of these objections is answered by the U.S. Supreme Court which has ruled that a local tax imposed in Los Angeles on container shipping was un-constitutional because it "invaded the federal government's right to regulate foreign commerce." Unitary taxation is surely a similar issue. The federal government is known lo support a ban on unitary taxation because it could ultimately spread to other countries and damage American interests.

#### Back door

But it may be that the very fact that the U.S. Treasury has opposed unitary taxation created the impression that the UK-U.S. treaty was an attempt to curb the states' right to unitary taxaby Senator Mathias, which will foreign companies from unitary short-term fiscal advantages for their bome states will then be able to express clear support for Unitary taxation is unfair in the Mathias provisions. If the

# Rolls-Royce engines need more public aid

By RICHARD LAMBERT, Financial Editor

Lstartling success over the last 1g months. In the face of developed and the the keenest international competition, it has been selected as manufacturer of the launch engine for the new Boeing 737 aircraft, for which there is an carriers, Pan American and Qantas, have ordered for the first time aircraft powered by ils RB-211 engines. In 1978. the group negotiated deals (50,000 lhs plus) version which should bring in £2bn of RB-211, the Dash 524. revenue over the next decade, and further big orders are in the offing.

Yet at the same time it has become clear that Rolls-Royce is going to need very substan-tial injections of public funds over the next few years. The prospects for profitability over the medium term have been put in doubt by the strength of sterling. And it remains highly uncertain whether over the long term the group can ever be returned to the private

Sloce nationalisation to 1971, Rolls-Royce has so far absorbed a little over £400m net of public money. Part of this is the cost of supporting the development of the RB 211-22 engine—the project that led to the company's financial disaster of 1971 -which has worked out at roughly £16am, net of levy pay-ments by Rolls-Royce to the Government on engine sales. In addition, there has been some £265m in loans and equity from the National Enterprise Board.

#### Contracting business

For much of this period, however, the business has been contracting in real terms. For instance, net working capital io 1978 was ahout a tenth lower than in 1975. From now on, output is likely to shoot ahead. Sales this year could rise from £763m to almost £1bn and hy 1983-when the recent hig orders will be pouring off the production line-annual sales should be up to around £2hn. Sir Kenneth Kelth, Rolls-

Royce's chairman, compares the current surge in activity to what took place when the jet engine first came into existence. A great number of old aircraft are occoming obsolete, while the rise in fuel prices has transformed the economics of the airlines and put an enormous premium on engine efficiency. of Rolls-Royce's hig jet engines, the RB-211 series, is scheduled to quadruple over the next five

This will require an enormous investment in development effort and working capital. Civil jet engines have a life cycle of 20 years and more, and manufacturers have to be prepared for a heavy drain on cash flow

COMMERCIAL terms, in the early years, leading to a Rolls-Royce bas achieved a period of high profits when the product

This April, the previous Government committed a total of £192m at 1978 survey prices to fund further developments anticipated world market of of the RB-211 programme. This 2,000. Two major national flag relates to the Dash 535 engine. of the RB-211 programme. This which is going on the new Boeing 7a7. In addition, further development work is going to be required on the big thrust t50,000 lhs plus) version of the

#### Cash flow problem

The expansion in sales is likely to have a disproportionate effect on working capital, which at the net level amounted to just over £200m last Decem-her, hecause of the increasing proportion of big civil jet engines io the output figures. These take over two years to produce, and do not bring with them the kind of progress payments that can normally he picked up on military work for the UK Government

For the time being, the bulk of Rolls-Royce's cash flow is heing swallowed up in the in-ternally financed part of its research and development programme, which cost £73m last year and will probably continue to run at the equivalent of around 7 per cent of sales or a bit more. So it seems probable that over the next five years, the group will require in excess of £500m of external finance, including the funds already promised by Government.

Most of this will take the form of loans or of government subsidies tied to levy payments on future engine sales, and some of it will come from the private sector. Around £25m of NEB borrowing has already been refinanced with long term bank loans, and private sector loans could well rise by, say, £50m

But substantial private sector borrowing is only made possible by the existence of what is effectively a comfort letter which commits the Government to stand bebind the business. The fact is that Rolls-Royce's capital hase is plainly inadequate for a busines of this scale and nature. Last December, its balance sheet showed equity of just £272m.

The key question is whether The upshot is that the output invested with an ultimate com- parent of Pract and Whitney. development needs? For although Rolls-Royce execu-

to end in a few years' time. generation of airframes. They companies are now filling up for Down the line, for instance, is have had other advantages too, three and four years shead, and the RB-432 which, if resources permit, could be developed to power a 130-seater aircraft in the mid 1980s. A large part of the answer lies with the competition. To

tresferterappateunge 6 Rong & Aden

against the subsidiaries of two eogine family was initially U.S. companies of awesome developed as a military project: financial strength, whose jet engine turnovers are strongly others, the McDonnell Douglas supported by U.S. government DC-10 and the European Airbus business. General Electric has A-300. sbareholders' funds of more than \$6.ābn, and jet engines account for just a part of one division which in turn represents less than a quarter of emphasise that the profit formula group sales. Aerospace earnings last year were squeezed by rising development costs-but the impact on the hottom line was imperceptible.

# for battle

such as the cusbion provided by a higher proportion than the next year or so it could Rolls-Royce of profitable spares business. Above all, they have had substantial indirect support from the U.S. Government, secure its big orders, Rolls- through military and NASA pro-Royce is baving to compete grammes, For instance, GE's CF6 it is now in use on,

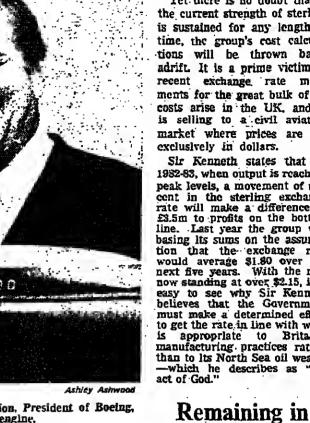
This is a specific case of a generally. Rolls-Royce executives adopted in the U.S. for defence ments. R and D with "potential military relevance" is eligible for government support. To get an idea of the importance of invested with an ultimate comparent of Pratt and Whitney, is mercial return in view. Can the profits on the RB-211 series in is still a giant compared by amounted to \$5.4bn.

It takes more than just techa viable independent enterprise, totalled nearly \$3bn. two-fifths nological excellence to beat capable of financing its future of which went to the U.S. Govern-development needs? For ment. new market in aircraft engines. Price competition has been cutthroat.

tn show that the Dash 535 project could not break even until 1993 even on the most optimistic assumptions.

Yet there is no doubt that if the current strength of sterling is sustained for any length of time, the group's cost calculations will be thrown badly adrift. It is a prime victim of recent exchange rate move ments for the great bulk of its costs arise in the UK, and it is selling to a civil aviation market where prices are set exclusively in dollars.

Sir Kenneth states that by 1982-83, when output is reaching peak levels, a movement of une cent in the sterling exchange rate will make a difference of £3.5m to profits on the bottom line. Last year the group was basing its sums on the assumption that the exchange rate would average \$1.80 over the next five years. With the rate now standing at over \$2.15, it is easy to see why Sir Kenneth believes that the Government must make a determined effort must make a determined effort to get the rate in line with what appropriate to Britain's manufacturing practices rather than to its North Sea oil wealth -which he describes as act of God."



Sir Kenneth Keith, chairman of Rolls-Royce, and Mr. "Tex" Boullion, President of Boeing, announcing Boeing's adoption of the RB211-535 engine,

#### the bone is that some time over become less of a buyers' market.

'If you ask me what we could do when the exchange rate is normal, I could see a period in the late 1980s when we could make profits of £100m plus." The first step is likely to be a says Sir Kenneth. "But this geoeral increase in the price exchange rate has taken me by surprise, as it bas everyone of spares followed, with luck,

State hands

Over the medium term, there is no question that Rolls-Royce will bave to stay in State hands, either as a subsidiary of the National Enterprise Board, as at present, or reporting directly to the Department of Industry To stay in the game, however, Sir Kenneth's views on the NEB to be revamped or abolished-'I don't give a damo which."

group might be so profitable across to other activities, as happens already at GE and United Technologica

# Well placed

Technologies. the second half of the 1980s and standards. Its sales of aircraft beyond ever be enough to create jet engines and spares last year For ment.

So in financial terms these tives stress that the current companies bave been very development programme is ex- strongly placed in the struggle ceptionally heavy, it is not going to get their engines in the new

But order hooks for all three

#### Workforce stability

by firmer prices for new engines.

Rolls-Royce is going to need a as presently constituted are considerable increase in productivity. Although the make-up of irrelevant, and will either have big military programme being Rolls-Royce is going to need a as adapted for civil purposes. More considerable increase in produc- wel its workforce may be rather contracts allows some civil dinerent in his years and direct research spending to be re- a greater emphasis on direct Kenneth speculates that by the middle of the next decade the that the overall numbers will that it could be merged with a not be much changed. Nor does private sector company of simithis concession, one need only consider that last December Fratt and Whitney bad an orders hacklog of \$3.9bn relating orders hacklog of \$3.9bn relating work will be handed out to submean that the benefits of its finded contracts and subthe group plan an enormous lar size or bigger. That would the big beneficiaries of the much increased workload.

Rolls-Royce and the National Enterprise Board believe that 1980s. The contrary view, the decried on all sides: it purported possibility.

But there can only be a tiny the expanded business will be handful of UK companies with capable of generating large a big enough balance sheet to profits in the latter half of the absorb the Rolls-Royce business. And at today's exchange rates, notorious Treasury analysis the idea sounds more like a leaked in February, is firmly piperdream than a practical

# MEN AND MATTERS

#### Speaking out for the professor

The young chartered accountant standing on a doorstep in May-fair yesterday would have felt more at home behind his desk at Deloitte's in the City. But 29-year-old Waswa Lule was determined to make a public protest on behalf of his father, the professor who resigned last week as President of Uganda.

Lule was outside the Tanza-nian High Commission in Hert-ford Street. He bad been refused admission to a Press conference at which Amon Nekla, the High Commissioner. was assuring journalists of Professor Lule's safety at State

of Tanzania.

During the confused events after his resignation. Professor Lule was hurriedly flown out of Uganda. His family claim he is being beld under duress at Dar by President Julius Nyerere. Without explaining why the professor is incommunicado, the Tanzanians bave offered to fly some members of bis family out

to see him. When I transmitted this offer in Waswa Lule he rejected it angrily. He claims that the



trusted," and that his father was cent of the population owned being prevented from boarding 84 per cent of the wealth. plane to London until he agrees to sign a document formally recouncing the Ugandan

presidency. Later 1 talked to Mrs. Elizabeth Lule, daughter-in-law of the professor, and married to another of his accountant sons. She said: "We keep trying to telephone the professor at State House in Dar, but they will not let us speak to him. We are all terribly worried—especially his youngest daughter, who is at a boarding school in England."

#### Playing it again

House in Dar es Salaam, capital The clearing banks are much exercised at the moment over news that 1.25m " wonder pens" are about to be unleashed on the UK market. The wonder pens, already selling well in the US, contain ink which can be rubbed out like a pencil. In short, the pen is to the fraudster what the jemmy is to the bank robber. " We foresee grave prohlems."

I was told yesterday by the Banking Information Service, which told me that at least one clearing bank intended to print a warning on its cheque books in time for the arrival of the "wonder pen" (called Replay) in September. The Gillette subsidiary, Paper Mate. which makes Replays, is itself already attuned to the vices of potential customers, and the possible legal rebound. Each pen has attached to it a warning against its use for signing cheques, security, or financial documents. Says Paper Mate calmly: "Thia completely absolves or ex-tenuates Gillette from any responsibility." The onus, in the case of fruad, is therefore, on the banker or cheque

#### Taxing politics

was a time when Socialists were fond of quoting country. They managed to lose a ratio to support their creed. in the first year £4,000, in the

to be It was 7:84-meaning that 7 per

Gerald Kaufman, Industry Minister in the last Govern-ment, produced a new ratio yesterday that should come in handy for Left-wing polemicists. He offered it to the Commons: 6:34. This is the revelation, according to Kaufman's calculator, that 6 per cent of the tax-payers receive 34 per cent of the last Budget's benefits.

Kaufman says that he obtained the data from which his ratio is derived from the Treasury. However, none of these inflammatory figures can be found in Hansard, since that journal bas not been published for the past ten days because of a dispute at its printers. Are they among the 94 per cent?

#### Leakage of funds

A long-overdue look as those better-established of the nation's Quangos, the water authorities, goes out on the air on Sunday night, the first of a series of Radio 4 investigative pro-grammes presented by Roger Cook. Water authorities might not sound the most humorous of subjects, but there is a passage in this programme which some may find grotesquely fumy. It is an interview recorded in a pub run by the Thames Water Authority on Queen Mother reservoir, near Windsor Castle.

Against a background of Spanish canned music, Reg Bolland, a tireless campaigner unfortunate excursions into methanol vehicles soon.

entertainment and farming:

"Without any authority than the second to the s against TWA waste and ineffican find, they lost last year about £60,000 on the bar and restaurant. It's the only pub I know where two drinks out of three are on the house. . farmers, and took it up in a very route tonight." big way. They are the most inefficient farmers in the whole

next year they lost £116,000, and in the third year they did very well £232,000." indeed: they lost

The figures for 1978 are due out on Monday, and are also unlikely to bring joy to London ratepayers.

#### Alcohomobiles

What the U.S. does today, Brazil began doing yesterday—at least in the use of alcohol to supplement petrol supplies. Amoco is to start selling 1m gallons of gasohol (containing 10 per cent alcohol) a month in the Mid-West; but this is merely a tentative excursion down a road to which Brazil is already heavily committed. With one ear cocked for the

ootcome of the OPEC meeting, Brazil has been making brave noises this week about its use of sugar cane, eucalyptus and cassava to produce methanol. This today makes up 20 per cent of the mixture on which the country's cars are run. President Joao Figueiredo

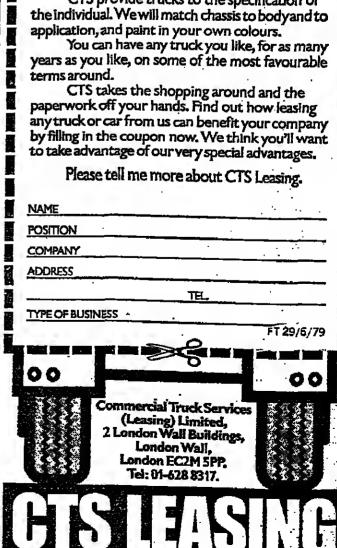
has just taken delivery of four alcohol-converted Volkswagen minibuses, two motorcycles, and a converted Volkswagen "Beetle." He drove the Beetle around Brasilia's main square, and afterwards said it was a delight" Brazll expends half of its

import bill on oil-the cost in foreign exchange will be approaching \$7bn this year. So the \$5bn the government has allocated to a six-year "alcohomobile" drive is by no allocated means out of proportion. There are plans to start

#### Phantom service

At a Hampshire bus station a reader received this reply to a request for information: "Sorry. They also decided they would be Sir. there's no last bus on this

Observer |



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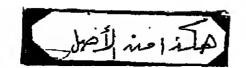
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preserving capital and existing lines of credit.

CTS SUPERLEASE

( صلد امند للصل



#### **POLITICS TODAY**

# Masters in their own House

Labour MP was asked ames Callaghan what og the House of Com-le had, he said, supe call for the naw select

it oc not, the new ntally-related com-ire now with us and of help thinking that sc of Commons will quite the same agaio. ie more one looks at ital. Over a period they insform the relationween back bench and MPs, between i and Westminster and, ,, between civil sertheir political

only one major g point. It is up to MPs of the reforms what There have been mmittees before, some with powers very those now being and they have not ade much of a mark. efore, however, bave ed on such a systematic d in response to a from the House. MPs to work hard to get out of the system, but i be no doubt that the for change now ey will bave only themhlame if they fail to

xtent of the change nclear to some memen now. Throughout debate there were two inplaints coming from es of the House, The that the new select combould only work if they lequotely staffed, the being that the

resources would be found wantames Callaghan what ing. The second was that the rst thing he had done membership of the committees would he rigged by the influence of the party whips who would manage to keep out es. "Ah," sniffed the rime Minister, "you'll deed anyone with an appropriate knowledge of the sobject.

#### Staffing

It is not generally realized that both daocers have aiready heen guarded against. The quesorms, the more it tion of staffing is provided for in clear that they are a little-noticed piece of legislation last July; the House of Commons (Administration) Act, 1978. The Act takes away control of House of Commons expenditure from the Treasury and places it in the hands of the House. More particularly, it gives control to the House of Commons Commission.

The Commission consists of

the Speaker, the Leader of the House, a member of the House nominated by the Leader of the Opposition and three other members of the House, appointed by the House, none of whom may be a Minister of the Crown. In the present Parliament the non-ex officio members of the Commission have yet to be appointed, but the drift should he clear. If the chairmen of the new select committees were to go along to the Commission and say "we need 12 full-time experts to ataif the Committee on the Treasury, 10 for Defence and six for Agriculture and so all they would have to do

would be to argue their case. They might not get everything they wanted. That would be a matter for discussion and there is some feeling among the cog-

serviced.

It is also the House, and not the Government or the whips, which will decide the membership of the committees. The key body here is the Committee of Selection and it possesses quite extraordinary powers of patronage. The Committee complete company that the complete company that the complete complet mittee consists of nine members, five Conservatives and four Labour. Its chairman ls Mr. Philip Holland, the Conservative Member for Carllon. Mr. Holland went a long way to explaining how the Committee works in the course of Monday'a debate.

The Conservatives now have the majority on the Committee because they are the majority party in Parliament. However, the Conservatives tend only to discuss Conservative applications to join the Select Committees. Labour applications will be discussed by the Labour membera. The Labour and Labour applications Conservative groups will then put forward their nominations at a meeting of the whole Committee of Selection. By and large, the nominations are accepted.

Until this week the powers of the Committee of Selection dealt with standing committees and not with select committees. They have now been extended to cover the new system, and there is no reason to believe that they will be exercised in any different way. Thus it is He acknowledged that the

gressman, for example, is now "We do not always accept every also be some attempt to get suggestion that we receive, but at least one new MP onto each House of Commons matter. It we consider them." In other is the House which will decide words, the suggestions are bow the new committees will be treated on marit wherever they also be some attempt to get at least one new MP onto each Committee. On the basis of those criteria, the suggestion of the new committees will be treated on marit wherever they also be some attempt to get at least one new MP onto each Committee.

as broad-based as possible. The range of choice is narrower on mittees will be made up of the Conservative side because placemen. so many people are ministers and therefore cannot be con-sidered. There also appears to be one procedural difference Conservatives and Conservative applicabetween Labour. tions are going direct to the Committee of Selection, whereas Labour Members have been invited to channel their's through the Whipa Office, though it may be only as a kind of clearing house. There has been no strong suggestion yet that the Labour whips are rig-ging, and in any case an attempt to rig would not necessarily lead to success.

#### inundated

The number of applications is high and Mr. Holland speaks of interest to see what Mr. of being inundated to the point Holland bad to say about the where the Committee might yet influence of the Whips' Office. have to ask for more time before making its final nominanoscenti that the American Whips' Office did make suggestions. The criteria being system of providing committees tions, as did individual applied are knowledge of with staffers has gone too far. members, chairman of aelect the subject, parliamentary with staffers has gone too far. members, chairman of aelect the subject, parliamentary (The average number of staff committees and chairmen of experience and to some extent employed by an American Con- party committees. He added: regional halance. There will

we consider them." In other words, the suggestions are treated on marit wherever they come from.

We shall be able to test Mr. Holland's account when wa see the composition of the select committees in the next few weeks. But again the polnt is that it is in the power of the House, and not in the power of the Government or the whips. to make the appointments. If the Committee of Selection were to kow-tow to the whips. the House would bave only itself to blamc.

As far as one can gather the Committees. On the basis of those criterla, it seems quite likely that (say) either Mr. Frank Allaun or Mr. Iam Mikardo could win a place on the Defence or their interest in the subject. The fact that they hold strong left-wing views would be irrelevant. Equally, at the other end of the spectrum. Mr. Julian Amery would have a strong case for being appointed to the Defence or Foreign and Commonwealth Committees. Again, we shall As far as one can gather the aim of the Committee of Selection is to produce committees as broad-based as possible transfer and Commonwealth Committees. Again, we shall see. But if the criteria really are applied, there is to assume that the select com-

placemen.
There is a final point about what the committees will do. Take the Treasury Committee as an example. It might call for a hearing on the exchange rate. What is the case for a strong pound? What is the advice that the Chancellor is receiving from his officials? Do the officials always agree? What are the counter-arguments? What does the Bank of England think?

The example is random, though topical. If the committee is constituted in time, it could even meet during the summer recess. Merely to mention the sort of questions that the committee might raise should illustrate the fundamental nature of the change proposed this week. Who knows? There might soon be politicians who would prefer to be chairmeo of a select committees rather than take government office. The only qualification remains that it is up to MPs themselves to exploit their new opportunities.

Malcolm Rutherford

#### MONDAY JUNE 25

#### SELECT COMMITTEES RELATED TO GOVERNMENT DEPARTMENTS

Mr. Norman St. John-Stevas That-

(1) Select committees shall be appointed to examine the expenditure, administration and policy of the principal government departments set out in paragraph (21 of this Order and associated public bodies, and similar matters within the responsibilities of the Scottish and Northern Ireland Offices.

(2) The committees appointed under this Order, the principal departments of Government with which they are concerned, the maximum numbers of each committee and the quorum in each case shall be as follows:

	Name of committe	ee	Principal government departments concerned	Maximum numbers of Members	
1	Agricultura		Ministry of Agriculture, Fisheries and Food	9	3
2.	Defence		Ministry of Defence	10	3
3	Education, Science	and		9	. <b>3</b>
4	Employment		Department of Employment	9	3
5	Energy		Department of Energy	10	3 3 3 3
6	Environment		Department of the Environment	10	3
7	Foreign Affairs		Foreign and Commonwealth Office	11	3
8	Home Affairs		Home Office	11	3
9	Industry and Trade		Department of Industry, Department of Trade	11	3
10	Social Services		Department of Health and Social Security	9	3
11	Transport		Ministry of Transport	10	3
13	Treasury and Service	Civil		11	3

(3) There shall in addition be a select committee to examine the reports of the Parliamentary Commissioner for Administration and of the Health Services Commissioners for Eogland. Scitland and Wales which are laid before this House, and matters in connection therewith: and the committee shall consist of eight Members, of whom the

(4) The Foreign Affaira Committee, the Home Affairs Committee and the Treasury and Civil Service Committee shall each have the power to appoint one sub-committee. (5) There may be a sub-committee, drawn from the membership of two or naive of the Energy, Environment, Industry and Trade, Transport and Treasury Committees, set up from time to time to consider any matter affecting two or more nationalised

(6) Select committees appointed under this Order shall have power—
(a) to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn from place to place, and to report from time to lime;

(b) to appoint persons with technical knowledge either to supply information which is not readlly available or to elucidate matters of complexity within the committee's order of reference; and

(c) to report from time to time the minutes of evidence taken before sub-committees; and the sub-committees appointed under this Order shall have power to send for persons, papers and records, to sit notwithstanding any adjournment of the House, and to adjourn from place to place, and shall have a quorum of three.

(7) Unless the House otherwise orders, all Mcmbers nominated to a committee appointed under this Order shall continue to be members of that committee for the remainder of the Parliament.

That this Order be a Standing Order of the House. That Standing Order No. 87 (Expenditure Committee) be repealed.

#### Letters to the Editor

#### : a job boys

B. N. Schon-Forbes Ir. Baker White (June reprised at the lack of p shown by The City, great companies and of Parliament; particutheir reactions to the ate to cross swords with

iker White who has s air M.P. and whose er of certain aspects of n London Head offices. Members of Parliament, pple with the problems i, manufacture, market-lustrial relations, re-ind finance, and who make industrial and ial companies profitable

of us who face these s every working day of is have welcomed the Not as a reason fur ir normal work, but as a , al last, a Government nising our efforts. industry and the country City and Parliament restruverted; after all, boys keep quiet and let men with the work, tlon-Forbes.

ter Rucd, Bash

#### ind up and counted

he Choirman, -I am sure many of us in letter in your issue of

ny strikes, too much trade interference in Govern-too much Government, national defence, no al pride and so on od

have a Prime Minister who ithin weeks, tackled many ese problem areas with re and determination. For n's sake, stand up and be ip the challenge and opporfor enterprise and tive, then never again will ave a Government in a on to offer it.

# efinition of

ss, Scotland.

e Mr. 1: C. Morison.
In repeating his call for lovy control over the level and coin in issue (June Mr. Smedley claims to have England economists that at control of the monetary might prove mirre effective

excludes notes and coin held by the public, on the grounds that they are "hardly a variable over which the authorities would (or could) seek control" (paragraph 7). Secondly, the economists conclude that strict control of the monetary base would continually threaten frequent and potentially massive

made no recommendations. refute them. The economists do. admittedly, see potential merit in a "relaxed" monetary base system, but I doubt whether as extreme a monetarist as Mr. Soredley can derive any real satisfaction from that. C Morison

Head of Public Policy Group, Inter-Bonk Research Organisation.

#### **Employee** share schemes

Lundou Woll, EC2.

From the Managing Director. Cockman, Copemon and

Sır,-Mr. Baizert (June 19) and Mr. Cole (June 25) put forward differing views in their letters on employee share schemes, both making very interesting comments on the importance of such schemes. I feel it is going to be vital for British industry for companies to secure the co-operation of their emy agree and support the players at all levels in order to uts by John Baker White achieve the superior performance on which our futures depend. While not heing a pana-Budget, which should cea for all ills, employee share een greeted with roars of ownership may well play a signi-al ond promises to per-ficant part in this. The well y industry, the City, farm- known Metzger study of comd many other budies, has panies in America over an 18 ed only a deafening year period showed that those companies with employee share years we have musined schemes out-performed those high taxation, no incen-without on all accepted indicatoo much nationalisation, tors. While that study is someny civil servants, the NEB, what dated, its findings are cerwhat dated, its findings are certainly supported by a current American study of 30 companies which have introduced Em-ployee Stock Ownership Plana (ESOPs) in recent years. The latest figures available (April 1979) show that since the introduction of the ESOPs, the connecte profits of these companies. have improved, on average by 125 per cent. nroductivity per employee by 38 per cent. sales by 67 per cent and the number of people employed by 30 per

At a time when wealth and job creation are both highly import-ant industrial subjects, surely these formers and including these figures are algnificant and add weight to Mr. Baizert's view

of such schemes? It is a shame that we have to keep turning to the U.S. in order to obtain "evidence" that sbare schemes work. Thankfully this may not be the case much longer as over 100 companies have now submitted proposals to the In-land Revenue for the introduction of share schemes capable dation" from three Bank of approval under the legislation introduced in the Finance Act 1978. Furthermore, statistics which are available and which attempts to control M3. are equally impressive lead me agreement the article in to disperse with Mr. Cole when tion in the Bank's June be infers companies will wish attu. I find myself puzzled to nut the restrictions on an infers companies will wish to nut the restrictions on an employee's right to dispose of the companies with the same with the companies with the same with the companies shares to further their own Party beavily under represented interests. This may be necessary and the Liberal Party without Bank economists have been in some cases, but certainly not any representation at all.

considering quite specifically in others. Two of Britain's best movements in Interest rates, if pants in the first allocation and not complete instability at the end of the first year, only (pursgraph 29). Thirdly, they 50 had sold their shares and

> These, and the American figures must lead onr Industrial decision-makers to positively explore the potential advantages of establishing a scheme in their companies. I agree with Mr. Cole however, when he mentious that the present position is not totally satisfactory. We do need further encouragement for savings, including only capital gains tax being levied on the gains arising from savings related sbare schemes. We also need integrated legislation which does allow the establishment of schemes suitable for employees not involved in the private sec-tor. Concessions could he worked out to encourage capital accumulation which is related to the performance of "Great Britain Limited," but for the present it is of paramount importance that the private sector takes the lead and proves once and for all that by giving employees the opportunity to share in the success, the need for profits and investment will he hetter understood and valued which can only he in the Interests of all sections of our community in the long-term. Richard Cockman.

#### Electoral reform

9. Stople lan. High Holborn, WC1.

From Mr. Dorid W. Green Sir.—Now that we have finished with elections for this year, it is bigh time we took a close look at the dog's break-fast we like to call an electoral

lt is, for example, plainly insane to hold four sets of elections in almost as many weeks. It is plainly ridiculous that the nomination regulations for nomination regulations for Parliamentary elections require only ten signatures on a form and a deposit of £150, with the result that there were a record number of fringe candidates who stood no chance of winning but who nonetheless enjoyed several thousanda of pounds' worth of facilities provided by the taxpayer.

Moreover, it is plainly undemocratic for the Newcastle
Central MP to represent only

24,000 voters when the MP representing Norfolk North has over four times that number in his constituency. And it is nonsense to suggest that we have a representative democracy when we are dictated to by a government supported by only 33 per coot of the electorate, and when 47 per cent of those who voted are not represented in Porliament.
Any doubts about the inadequacies of our existing electoral arrangements must have been dispelled by the farcical results of the Euro-

elections which left the Labour

known companies. British Home the individual and private ively we should go back to a stores and Marks and Spencer enterprise might be tempted to two-tier system to end the unintroduced employee profit sharing share schemes in 1977 and in both schemes, participants are given the Conservatives over same rate, absolutely free to sell their the last few weeks. Such people A unified shares the moment they receive them. In fact this has not been the case. In British Home Stores there were nearly 6,500 partici- occasions, even though the light of experience. of the end of the first year, only history enjoyed majority sup-college of Journalism, port in this country. They 62 Figer Street, EC4.

Labour Party has never in its J. B. S. Birch, In short, there is nothing in out of just over 17,000 partici- of the financial institutions, priless. I must point out the article to support Mr. pants, something less than 250 vate enterprise, education and not The City, or indiSmedley's claims and much to have sold their shares. results io favour of a Lahour Party led by Peter Shore or Tony Benn. We need electoral reform-

David W. Green,

186, Appletrees. Bar Hill, Combridgeshire

#### Frozen food in schools

Sir,-1 was interested to read your recent article on frozen food in schools (June 5). I felt you might like to know that here in Kent we are already using frozen food for school meals in a way which has progressed beyond the experimental.

A pilot scheme was started in the Maidstone area in June, 1969. Financial and other information obtained showed that this was a viable and acceptable method of producing school meals and a decision was taken to proceed with a purpose-built central production unit at West

This has been operational since September. 1978, and is currently producing meals for kitchens are gradually being taken into use and by 1984 its capacity will be 10,000 meals per day. There is of course the possibility also that some of this capacity will be used for meals for Social Services establishments. John Barnes,

Chairman. Education Committee. Kent Couoty Council. Springfield, Maidstone.

#### Taxation on learning From Mr. J. B. S. Birch.

Sir,-One of the effects of the unified 15 per cent VAT rate has been to put an added and unwelcome burden on some cultural sod educational activi-

In the theatre, a new musical is having to close, and one of the reasons given was that the new VAT rale made it more difficult to take riska and "uurse" a peoduction to success, In the art world dealers are expecting more works of art to leave the country as export sales escape

Some types of cducation at independent colleges are also subject to VAT, and students are having to pay tax at rates previously only levied un furs. jewellery and other luxury goods. VAT on education amounts to a tax on knowledge, which was abandooed on peinciple in this country more than

a century ago.

The time is surely ripe for a re-examination of the scope of VAT. There seems no reason why the activities mentioned should receive less favourable treatment than say newspapers,

Those who value freedom of which are zero-rated. Alternat-

A unified 13 per cent VAT rate

#### Catch 22 in Rhodesia

From Mr. Anthony C. L. Rennie. Sir,-Your leader "More trouble for Muzorewa" (June 25) pinpoints the "Catch 22" position any realistic appraisal of the Zimbabwe-Rhodesian Constitution would have foreseen namely a minority (in terms of seats) "African" Government dependent on a disproportionately large white minority representation, not to mention the naive exclusion from that Government's jurisdiction of matters pertaining to the Civil Service, the armed forces and police. Such a formula presents

no basis for recognition "de facto" or "de jure."

The caution counselled by your leader is all the more pertinent in a situation that is far from static. Having visited this tragic country on three separate occasions in the past five years, I can only add that it would be an error of major proportious, if the Government were to grant recognition and lift asoctions as things stand at present and 1 write as a member of the Government party. One only can hope that Lord Carrington will act in the spirit of onc, who was perhaps the greatest and most respected of post war colonial secretaries, the late lan

MacLeod. However, Zimbabwe, as the country surely become known after the great Zimbabwe civilisation of which the Zimbabwe rulns give testimony, cannot be allowed through benign neglect to drift into a state of increasion fall largely on the rural African peoples. It is no less a problem than the Middle East and as in the Middle East a fundamental resolution cannot he achieved without the consents of at least most of the interested partics. Whilst appreciating the efforts of Lord Harlech, there are surely

others whose knowledge and understanding of and sympathy for Zimbabwe and its majority peoples could make them better suited to the role of "bonest broker." I refer to persons such as Stewart Parker, the much respected former private secretary to Sir Roy Welensky during federal days or Tiny Rowtands or indeed Alan Savory, Any or ail of these gentlemen with suitable back up outwith the realms of bureaucracy could gain the confidences of each of the main interested parties and thus take the necessary findings on which an early conference in late autumn might be held in a last endeavour to avoid a civil war in which there will he few victors. As a venue, I would have thought it should preferably be in Africa, as it is primarily a question to be dealt with by Africans, and if possible in a country not directly involved such as Kenya. Cantion hy all means, unwarranted delay.

never. Anthony C. L. Rennie, 34 Ancaster Drive,

#### GENERAL **Today's Events** UK: Sir Reith Joseph, Indus-try Secretary, visits Typeside and

<u>.</u> ر

Mr. Geoffrey Chandler, NEDO director general, opens construction industry conference, London. Financial Times conference on domestic banking concludes.

The Queen opens high power laser facility at Atomic Weapons Research Establishment, Alder-

Overseas: World economic summit cooference in Tokyo con-

PARLIAMENTARY BUSINESS Honse of Commons: Pen-

#### sioners' Payments and Social Security Bill. Debate on multilateral trade negotiations.

COMPANY RESULTS Final divideods: John Brown. Robert Moss. Rediffusion. Interim dividends. CGSB Holdings.

Lonrho. J. F. Nasb Securities. COMPANY MEETINGS Advance Laundries, Stratton House, Stratton Street, W, 12. Foseco Minsep, 36 Queen Anne's

chester House, Old Broad Street, EC, 12.15. Hield Broihers, Briggella Mills, Bradford, 12. Charles Hill, 129 Cumberland Road, Bristol, 11. Lesney Products, Tower Hotel, St. Katherines Way, E, 12. M. D. W., 21 Blythswood Square, Glasgow, 12. Mentmore Manufacturing, Winchester House, Old Brad Street, EC, 12 House, Old Broad Street, EC, 12. Pritchard Services, Winchester, House, Old Broad Street, EC, 12. Scottish Ontario Investments, 29 Charlotte Square, Edinburgh, 12.30. Selincourt. The White House, Albany Street, NW, 11. Whittaker Ellis Rullock, Royal. Gate, SW, 1230. Headlam, Sims Whittaker Ellis Rullock, Royal. & Coggins, 5 Albemarle Street, Aogus Hotel, St. Chads Queens-W, 11. P. C. Henderson, Winway, Birmingham, 1230.

#### STANDARD CHARTERED IN SHANGHAI

1400



#### THE BUSINESSMAN'S ROUTE TO CHINA

The Chartered Bank has been in China for over 120 years, and we are still the only United Kingdom-based bank there; we are therefore uniquely placed to assist in the development of overseas made.

Our objective is to encourage Sino-British trade, particularly in capital goods. If you see opportunities in China for your company, why not talk to us about it? What may be a problem for you may be simpler for you and Standard Chartered together. Ring Keith Skinner now, on 01-623 7500.



# Redland profits rise 13% on 10% sales increase

IN A period of trading recovery, total sales of Relland rose by 10 per cent to £397m for the year enden March 31, 1979, and profits before lax were up by 13 per cent from £33.57m to a record £45.2m. At half-time, the surplus had increased from £18.12m to

The result was achieved in spite of the severe wioter and a strengthening of sterling against the nizjer currencies, in which 65 per cent of the croup's profits were earned overseas.

Attributable profits for the year were 23 per cent ahead to 223.44m, exceeding the pre-tax advance principally because heavy cannal expenditure in the UK can the tex charge—total tax was only CS per cent higher at

With earnings per 25p share at 24.54p (20.82p), the net dividend intal is hoisted from 4.22p to 6.551p with a second interim of 4p. At the grass level, this represents a 50 per cent increase, as forecast in February, when the Treasury indicated its consent to this rise in relation to the tinue to develop th D.S.\$25m Eurobond Financing of Pilsea landfill site.

interim results in November. In the UK, the 1t per cent advance in profits to £15.44m was

broadly based and would have been greater but for the harsh winter which caused losses in ability of its plastic building the last quarter. the last quarter.

Nevertheless, all major Conditions in the Australian divisions improved their profits, construction materials industry with the exception of Redland Bricks which suffered from a and Concrete Industries (Monier)

bank in Bahrain.

Company	Page	Cal.	Company	Page	Col
ACC	26	4	Lehoff (S.)	26	5
Braid Group	29	8	Lookers	29	4
Brownlec	29	1	Mothercare	29	6
Capital & Counties	28	7	Norfolk Capital	26	5
Cawdaw Indl	29	2	Pension Fund Prop.	27	3
CH Industrials	27	4	Piessey	27	1
Cronite	27	6	Press (Wm.)	27	3
Eidridge Pope	27	- 5	Redland	26	1
Electrocomponents	26	4	Renold	27	4
Furness Withy	26	7	Stead & Simpson	27	4
Hill Samuet	26	7	Unilever	27	3
loseph (Leopold)	29	1	Whatlings	29	3

INDEX TO COMPANY HIGHLIGHTS

particularly sharp decline in housing starts to the south east

The dominant profit earners in the UK continued to be Red-land Aggregates and Redland Roof Tiles. Redland Purle made further progress and has finally established its freedom to con-tinue to develop the important The 13 per cent profit increase

Joseph (Leapold)

the U.S. acquisiting programme.

Eargines are, however, still 3.7 times the increased net dividend and the Board will give further consideration to the company's dividend policy at the time of the 1870 S.2 interest the 1870 S.2 intere roof tile business.

The most important advances were mude in France and Holland. In Germany, in addition to growth in roof tiles, Braas and Co. also improved the pro6:-

were difficult throughout the year

THE DIRECTORS of Hill Samnel 5t, 1979, came out 13 per cent vision has been made for the Group are developing relation higher at £7.73m. The merchant liabilities that may arise in Group are developing relationships established with Banque hank had a successful year with respect of a subsidiary property Arabe et Internationale d'Investissement and Flest City

The dividend is stepped up to of orderly realisation and, now that the process of building up

This property has been trans-

Sir Kenneth says that pro-

1978-79 PRELIMINARY AND FOURTH QUARTER RESULTS

Pre-tax profits up 7.9 per cent

Worldwide sales up 6.1 per cent

Retained earnings up 2.9 times

Borrowing ratio down from 40

An extract from The Plessey Company's unaudited consolidat results for the Inurth quarter and twelve months to March 31, 1979 (with the previous year's results for the equivalent periods for comparison):

The recommended (ina) dividend of 3.645 cence per share payable on January 2, 1980, to sharpholders on the register on Nevember 16, 1979, if approved, together with the intenm

The Company's full Report and Accounts will be posted to Shareholders on August 6, 1979.

The Annual General Meeting will be held on August 31, 1979 at Milibank Tower, Milibank,

1575

183,500

13,303

9,763

4,12p

March 31,

169,500

7.t36

3.050

March 31,

1979

648,300

30.684

March 31,

1978

611,100

42,880

27,456

11.64p

Earnings per share up 12

per cent to 13.05 pence

to £46.2 million

to £648.3 million

at £13 million

to 30 per cent

with 5.48043 pence per share in the previous year.

Figures In £000's

Profil before Taxatio

Earnings per share (pence)

Hill Samuel sees benefits

tissement and First City The dividend is stepped up to Bancorporation, of U.S., and have 5.3198p (4.904p) per share, set up a joint venture with BAt1 in the form of a new merchant of huilding up the policyholders'

ank in Bahrain. and shareholders' funds the Sir Kenneth Keith, the chair- whole of the year's surplus has

man, says in his annual state-ment that these are important and annuity funds.

developments for the group, "and I believe they will yield great benefits in the course of time."

This build up has been belped over the last two years by the appreciation in value of the free-

benefits in the course of time." appreciation in value of the free-tic adds that notike manufac-turing emphanies the group is was transferred from Hill

not granted any form of tax Samuel and Co. in Hill Samuel relief against inflation. Some Life Assurance during 1977 at success has been achieved in £3.5m; its original cost to Hill

chairman says, to press for the ferred to the parent company

As reported on June 13 net £12.6m.

overcoming this problem but the Samuel. directors will continue, the

grant of appropriate relief.

profit for the year coded March

performed well by offsetting the declines in its domestic husiness by significant advaoces lo North America and South East Asia

		13/0-/3	12/1-10
		Em	Em.
	Group sales	305.45	270.56
	UK	129.68	114.11
	Oversees	175.77	156 4S
	Shere of associatest	91.54	89.03
•	Total sales	396 99	359.59
	Profit before tax	45.20	39,87
	UK	15.44	13.84
	Overseas	18.91	16.70
	Share of associatest	10.85	9 33
	Tax	16.14	16.01
	ÚK	2.95	3.17
	Overseas	13.19	12.84
	Net profit	29.06	23.86
	To Dione	5.62	
	To minorities		4.77
	Attributable	23.44	19.09
	Extraord, dabits	0.28	_
	Making	23,16	13.09
	Pref. dividends	0.02	0.02
	Brd, dividends	6.23	4.01
	Desert and	40.00	45.00

† Principally oversees
The group figures do ioclude any profits arising from the acquisition in January of Automated Building Components Incorporated, which makes up its

that the process of building up reserves is largely complete, Hill

Samuel Life Assurance is likely to resume divideod payments in the current year.

They state that based on the

Hyde guidelines, the charge

which would be required to re-flect the impact of inflation,

amounting to some 10 per cent in the March 31, 1979, year, on

net disclosed group monetary

assets, would be of the order of

As at balance date fixed assets are shown as £t7.48m £3.47m),

Investments at £48.09m (£29.93m)

# **ACC** reaches £16m forecast

TAXABLE profits of Associated Communications Corporation. the year to March 31, 1979, in line with the forecast at the time of the offer for Intereuropean Property Holdings in March.

Last time, the taxaole surplus of the television, theatre and re-cords combine were £13.7m. Turn-over advanced from £113.59m to

The net final dividend of 4.9p lifts the total to 8p (6.606p)-

ahove the forecast 7.31289.

After tax of £7.53m (£5.78m), net profit came through higher at £8.78m compared with £7.93m. There are extraordinary debits of £164,000 (£149,000 credit). Earnings are shown at 16,77p [16,83p)

DETOIL GIC CAMBOIG		
	1978-79	1977-78
	5000	£000
Turnover 19vontuT	123.804	110,588
Profit before tax	16_308	13.700
Tat	7.533	5,775
Not profit	a.775	7,925
Minoritias	-15	*24
Extraordinary debit	164	1149
Attributable	a.61a	5.050
Dividends	4.190	3.424
To minorities.	† Credit	

#### comment

Profits from ACC's property operations jumped from £2!m to £3!m in the latest year and helped push overalt group figures up 19 per cent to the better than forecast £16.3m. Film profits were marginally ahead. television results were up hut the record and tapes side did not do well. Start up costs for the U.S. Marble Arch Productions were less than anticipated but they add restrained overall group figures though that opera-

ture plus 8 months of profits from Intereuropean Properties. formerly Associated Television Some recovery is expected from Corporation, reached £16.31m in record and tapes. The overall Some recovery is expected from picture thus suggests the outlook for the company this year is bright. The shares rose a penny to 129p yesterday giving a fully taxed p/e of \$.2 and a yield of 9.2 per cent.

#### Leboff well short of target

TAXABLE PROFITS of S. Lehoff in 1978 were well helow the midway forecast — coming through at £568.225 against £1,019.953. Turbover was down front £19.17m to £17.85m.

At the halfway stage, the surplus fell to £20,214 (£876,614). but the directors expected the full-year outcome to be very

similar to last time.

The net final dividend nf
1.155p raises the total to 2p
(1.76p). After a tax credit of
£100.741, against a £297,189 £100,741, against a £297,189 charge, the nct profit came through al £668,966 £27:22,764).

The directors say turnover is now running well ahead of last year after heing hit by the bad worther and existent. weather and strikes. The retail DIY division is progressing satisfactorily with more new stores opened. They expect a satisfactory outcome for the year.

The directors say the results reflect the efforts made in 1978

tion is expected to break even to put the group into a position in the current year. Also there for growth in the next decade, will be a contribution from the ACC/EMI distribution joint ventee last annual report.

#### Electrocomponents up 32%-pays 5p final

THE DIRECTORS of Electro- (assuming dividend rises in line romponents report record tax-able profits of £10.02m for the year ended March 31, 1979, against £7.6m, a rise of 32 per cent. External sales rose the same amount to £44.41m.

At balfway profits had risen from £3.26m to £4.51m and the directors were confident that results for the full year would continue to reflect satisfactory progress. The dividend total for the year

is stepped up from an adjusted 2.52579p to 6.5p net per 10p sbare, with a 5p final payment. Net profit came out at £5.39m compared with £4.34m, after tax of £4.63m (£3.26m). and current assets at £1.08bn (£1.03bn). Current liabilities were £1.04bn (£965.27m).

The company manufactures and distributes electronic rom-

#### comment A strong growth recard, good

preliminary figures, a very large jump in the dividend payout and reasonable prospects for the curseems to stem the slide in Electrocomponents' share price. The after the announcement to 443p. Electrical stocks outperformed the market during late 1978 and early 1979, but they have been coming back with the market recently. The immediate outlook for the share is not bright, although the company itself still looks interesting. It has closed down the loss-making Doram electronics division and the oewest member of the group, Electrospares, is doing well. The largest subsidiary, SR Components, had a tough December but it still managed solid growth. The historic pe is 18.2 and the yield is 2 per ccnt. A profit growth of around 25 per cent

with profits; of 2.6 per cent. It is likely that the shares will continue 10 edge nearer to market averages during the next few

#### Norfolk Capital

Capital Group, the hotel and property development concern, rose from £105,148 to £114,180 in the half-year to March 31, 1979, after increased interest of £312,324, against £238,412.

Mr. Maxwell Joseph, chairman.

is coofident of the full year result—last time the surplus advanced to £723.000 t£452,000).

He says it is difficult to assess the possible impact on the tourist trade of the recent air traffic disruption and fuel crisis, and also the VAT increase. But the group is well placed to meet such barrowings after the rights issue. there will be a lower interest charge in the current half.

Turnover for the half-year increased from £3.08m to £3.56m. Tax took £26,000. against £21,000. As expected, the net interim dividend is raised from 0.3p to 0.5p on the increased capital. A total of 1.2p (0.9p) was forecast at the time of the rights issue. Profits of hotels, including rent

and interest receivable, were ahead from £341,560 to £423,029. while share dealing and dividends receivable brought in £1,475 (nil). The chairman says that, despite

the bad weather and the unavailability of rooms because of renovations, the hotels obtained lonks achievable, giving a pros- a satisfactory improvement in pective pe of 14.6 and a yield trading results.

# DIVIDENDS ANNOUNCED

ł .	Current	OI	ebougma	IOL	iasi	
	payment	payment	div.	year	year	
ACC	4.9	Oct. 1	3.83	8	6.61	
Braid Gronplot.	0.56	Aug. 11	0.48	-	1.54	
Brownlee	3.4	Aug. 16	1.77	4.	2.3	
Cawdaw	2.57	Oct. 1	2.48	2.57	2.46	
	1.38	Aug. 30	1.25	2.2	2	
Concrete Products int.		Sept. 28			¥4.17	
Croniteint.		Aug. 31	0.8		2.66	
Electroromponents		Aug. 01	*L33	6.5	*2.53	
Hickson and Welch	u		2.00	0.0	2.00	
Sec. int.	4	Aug. 31		_	3.56	
Leopold Joseph		_	6.84	9.5	8.71	
		= .	0.0%	<del>5.0</del>	3.74	
LookersioL	1.4		,	_		
Norfotk Capitatint.	†0.5	Oct. 1	0.3		0.9	
Plessey	3.65	Jan. 2	2.57	6.31	5.48	
Redland2nd int.	4	. —	2.13	6.55	4.22	
Rennid	7.55	Aug. 14	6.84	10.25	9.54	
Stead and Simpson		Aug. 8		2.75	2.13	
Whatlingsint.	0.9	Sept 28	0.9		2.67	_

Dividends shown pence per share net except where otherwise stated.

\* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

#### The British Petroleum **Company Limited**

#### Registrar's Department

With effect from Monday, 2nd July, 1979, all documents for registration and correspondence relating to the Company's Registers of Stockholders should be addressed as follows:-

The Registrar, The British Petroleum Company Limited, BP House, Third Avenue,

HARLOW, Essex CM195AG.

Telephone: HARLOW 26851 (STD Code 0279)

# Mr. Bristol defeated but still wants Furness

BY JOHN MOORE

canadiao Shipholdings yesterday lost their battle for influence

The resolution that Mr. Panl Bristol, chairman and chief executive of KCA, had proposed—that he should be appointed a

KCA's 12.13 per coot holding proposal. in Furness was backed by Euro-canadian's holding of 10 per cent-Two other resolutions were dropped by Mr. Bristot, "to defuse some of the heat in the

KCA to explore a formula for

Furness subsidiary. European Ferrics, which holds director of Furness—was heavily defeated by 13.75m votes to 6,13m. efeated by 13.78m votes to chief executive of Eurocanadian, 13m. hoped would support their cause, voted against the Bristol

controversy."
One of the resolutions dropped

KCA International and Euro-called for a working party to be seeking a substantial British madiao Shipholdings vesterday he established by Furness with interest to associate with in a deal which could lead to a bid

over the affairs of Furness Witby, the Britlsb shipping group. Under 1 per cent of uncommitted Furness sharcholders rallied to the KCA-Eurocanadian cause at the Furness annual meeting.

The resolution that Mr. Panl The came to that conclusion long before the weekend."

> Mr. Frank Narby said yesterday "this is just the beginning. He added that he had taker "some liberties" in using Mr Wickenden's name in connection proposal.
>
> But Mr. Bristol said yesterday after the meeting that KCA would conlinue to add shares to his 12.13 per cent hotding in Furness. He said: "I wanted Furness, the said: "I wanted would want to do it ourselves to be a said: "I wanted the said: "I wanted the

to bring lbis matter into the We are not anxious to put open." He added that he would package deal together."

#### **ISSUE NEWS**

#### Sound Diffusion £1m cash call

Sound Diffusion, the Sussex-hased electronic engineers, is raising £0.97m net through a one-for-four rights issue at 60p per end of the rental reverts to Sound Diffusion.

tn view of the "substantial" discount-51 per cent on last night'a closing price of 123p, up 7p—the directors say they decided not to underwrite the issue. A totat of 1.67m new 5p shares are being issued.

The dividend forecast for the current year to end December, 1979 is 1.05p net on the increased capital, after allowing for the one-for-one scrip announced carlier this month (but not yet implemented). At the gross level this is a 31 per cent increase over the previous year and provides an ex-rights yield of 2.8 per cent before the scrip adjustment.

Explaining the reasons for the issue, the directors say that the company finances lts growing inveatment io rental installations hy selling leasing companies a major proportion of the new installations completed each year. Rentals from installations sold are the property of the leasing company but after an agreed block of the state of the state

The company will start receiving the benefit from 1982 on-wards. In the meantime, however, there would not be sufficient margin in projected cash flow to make any significant investment in developing new products or in expanding the group's overseas sales force, they

The directors believe the growth rate of Sound Diffusion could be progressively improved from 1980 onwards if cash were available now for new product development and for the rapid expansion of its sales effort over-

Part of the proceeda of the issue will also be used to replace bigb interest rate loans of about £300,000.

Part of the proceeds of the issue will also be used to replace bigb interest rate loans of about £178m.

Jobbers reported heavy trading

hegio, nii paid on July 2. Brokera are Rowe and Pitman.

facturing) and Sound Diffitsion (Service), both owned by the

Stonor family.
The directors are considering the best way of doing this and if and when aatisfactory arrange ments are agreed, they will be put to shareholders at a genera meeting, at which the Stone family will abstain from voting

#### STC shares reach 182p

Shares of Standard Telephone and Cables, which were offered to the public at 160p last week traded in a narrow range of between 177p and 182p who dealings started yesterday-premium of at least 1t per cent

Dealings in the new shares wilf. In the 15m shares issued, wit most of the stack going into th

# THE EAST SURREY WATER COMPANY

Points from the Annual Statement for the year to 25th March 1979 by the Chairman, Mr. P.D. Davey, F.C.A.

#### Charges

For 1979/80 the domestic water rate will be 8.3p in the £, plus a standing charge of £4 p.a. The Meter charge will be increased by 6.4% to 76.9p. per thousand gallons. Overall increase in income about 5.5%. Domestic consumers are now offered the facility of paying their half yearly water services accounts in two instalments.

#### **Charging Policy**

The introduction of a two part tariff for unmeasured supplies is the first step in a phased reconstruction of the Company's charges to meet the requirements of the Water Act 1973.

#### Demand

The long term increase in demand which was interrupted by the drought in 1976, now appears to be returning to its normal trend, with most of the increase coming from unmeasured supplies. The supply and demand situation will have to be carefully monitored to ensure that new sources are developed in time.

#### Capital Expenditure

With capital expenditure running at around £1,000,000 p.a., fresh capital will soon have to be raised.

London Road, Redhill, Surrey, RH1 1LJ.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange, it does not constitute en invitation to the public to subscribe for or to purchase any of the Shares.

#### Yorklyde Limited (Registered in England No. 1411789)

1,170,000 Ordinary Shares of 20p each, fully paid

The Council of The Stock Exchange has admitted the above-mentioned Ordinary

Shares to the Official List. Particulars of the Company and of the Ordinary Shares are available in the Extel-

Statistical Service and copies may be obtained during usual business hours (Saturdays excepted) until 6th July, 1979, from:

Baring Brothers & Co., Limited 88 Leadenhall Street London EC3A 3DT

29th June, 1979

E. B. Severy, Millin & Co. 20 Moorgate London EC2R 6AQ.

( صلدامند للصل

£000's

9,264

1,106

813



# inal quarter spurt puts 'lessey over £46m

FE ALMOST haived profit its main telephone ges and transmission side intinuing losses in con-electronics, Plessey Com-nished the year to March to no taxable carnings 7.9 t ahead to £46.25m. t ahead to £46.25m. ie £3.37m advance £2.36m i the final quarter. Sales

3.1 per cent better at 1 for the year.
group now plans to on its largest ever init programme costing compared with the £28m in 1978-79, Sir John Clark, irman, sald later.

ig the year overseas comperformed well with sales off in terms of their c currencies, up 12.2 per d 18 per cent respectively. T in sterling their sales ochanged at £231.1m and up 11.4 per cent at

By UK many of the trading ies performed well but reorganisation and a 700 in workforce to 3.400 sger Main Exchanges the red from £3.5m to £7.8m. sfelt should be sbarply n the current 12 months 3 possibility of break-even

s also continued at Garit were reduced to £2.5m 5.1m, after a reorganisa-sting £4.2m, and involving than 1.200 cut in the force to 600.

bn says the directors conexplore every alternative vide a solution of the 1 at Garrard and a further in the loss there is

tax for the year of (£14.48m), group stated s per 50p sbare were gher at 4.12p in the final for a 1.41p rise to 13.05p ie year. However, extralosses down from to £2.86m left annual

telecommunications -

SALES

Taxation).

External sales

Profit before texetlnn

Corporation Tax (52%)

corresponding period-

Projit after taxatinn increase (%) on

External sales

Profit (pre-tax)

inual Seneral Meeting: 15th August 1979. re Annual Report & Accounts will be mailed

members on 20th July and copies can be

ly Saw Mills, Port Oundas, Glasgow 64 9TP.

rained thereaher from the Secretary.

TRADING PROFIT

PROFIT BEFORE TAX

EARNINGS PER ORD. SHARE

DIVIDENDS PER ORD. SHARE

PROFIT AFTER TAX

BROWNLEE

AND COMPANY LIMITED

Importers and Merchants dealing in limber,

plywoods, board materials, joinery components and building materials, Sawmillers, and Manufacturers

of veneered panels and other components.

**Increased Turnover and Profit** 

for year ended 31st March 1979

mments by the Chairman, Mr. P. A. Barns-Graham.

Sales increased by 12% and Trading Profit

The final dividend of 3.4p per ordinary share recommended (making 4.0p for the year) will, if

approved, be paid on 16th August 1979.

Depression in public sector of construction

improvements and modernisation increased.

Accounting policy changed to give effect to SSAP, 15 (Accounting for Deferred

Margins, as forecast, improved in second half of

year but results adversely affected by long winter.

electrocomponents

limited

2nd Haif year Full year

31.3.79

£000's

44,405

10,023

4,632

5,391

32.3%

32.0%

in 31.3.78

(Audited)

£0003

33,556

7,596

3,256

4,340

45.9%

67.4%

Trading results for the year to 31st March

1979 (Subject to audit confirmation)

1.10.78 tn

31.3.79

£0000's

23,688

5,512

2,452

3,060

29.2%

27.0%

At the Annual General Meeting to be held on 21st September 1979, the Board will recommend a final dividend of 5.0p per

Copies of the Report and Accounts will be available from The Secretary, Electrocomponents Limited, Maple House, 37/45 City Road, London EC1P THX, from 24th August 1979.

share, making a total for the year of 6.5p per share.

Britain's biggest electronic components co

industry continued but demand for home

(53 weeks)

£000's

21,314

962

716

10.1p

(52 weeks)

£000's

19,042

553 766

365

4.0p 2.296624p

5.1p

BOARD MEETINGS The lollowing tompenion heve notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividende. Ufficial indications are not evallable as to whether dividende are interest or finals and the sub-divisions shown below are based mainly on less year's timetable.

yesrs timetable.

TODAY
Interims: C.G.S.B., Lontho, J. F.
Nath Secutives.
Finess: John Brown, Meurice James,
Robert Moss. Reddifusion.

FUTURE DAYES		
Interims—		
Downerst end Partner	July	1
Gough Cooper	July	
Watson and Philip	July	1
Botish Building & Enginearing	July	1
Cand (Oundes)	July	
Colmore Investments		
Company Markey Tours	July	
Common Market Teus!		
Cook (Wm.1	July	2
Humphriee Holdings	July	
Magnet and Southerns	July	1
Ropner	July	•
Routledge and Kegan Paul	July	
Tollemacha & Cobbold Braws.	July	
Unigate	July	
United Con	luka	

and control systems, £104,900 (£67,300) and £9,065 (£7,811); electronic systems and equipment, £179,200 (£158,700) and £15,851 (£12,4401: electronic components, £105,300 (£107,700) and £6,273 (£4,531); hydraulics, aerospace and engineering £92,700 (£81,500) and £8,075 (£5,303), and consumer elec-tronics £18,900 (£21,400) and

United Kingdom Property .... July 6 View Forth Invest, Trust ..... July S

£2,849 loss (£5,104). Extraordinary debits com-prise the cost of reorganising Garrard, disposing of several small business interests, and selling 60 per cent of the group's Nigerian company, offset by a £7.5m profit on the sale of ICL sbares.

"These events reflect the company's policy of consolidation and elimination extraneous activities outside the mainstream of the company's

(7.42p). The sale of the ICL holding for £33.5m cash, followed the ip the total to 6.307p Board's decision that the future 3p). analysis of sales and and Plessey did not coincide ng profit, of £44.59m and in view of the low cash m), by activity shows in dividend return on the investments, it would be in share. exchanges and trans- holders interests to reinvest 15. £147,300 (£174,500) the proceeds in "the new oppor-174 (£18,264): office, data tunities arising in our main-

# Stead & Simpson keeps up pace in second half

stream businesses."
Group profit includes £7.4m in attributable earnings of ICL to the date of the sale. Plessey's balance sheet was considerably strengthened dur-ing the year and total debt bas been reduced by £20.4m, teaving the deht/equity ratio down from

40.5 per cent to 30.5 per cent, the directors state. 1977-78 £000 611,100 62,286 21,041 41,245 10,196 1,749 1978-79 Salas
Trading ording
Oograelation
Operating profit
Stars of assocs
Interest secovable
Interest position
Tax
Not profit
To minosities
Extraord, losses

#### Unilever payments on Aug. 1

ALL DEFERRED dividends will be paid by Unllever Limited on August 1. The balance amounts 35p per ordinary share and will cost the company slightly

uoder £79m. The deferral of payments began in 1972, when the group agreed with the Treasury to declare dividends equivalent to those of Unilever NV, in accordance with the Equalisation Agreement between the two com-Agreement between the two companies, but to delay payment
until regulations permitted
under the UK's statutory dividend controls.

dend controls.

In addition, a change in ACT means that sbarebolders will receive an extra 0.4p per share for the 1978 year. Both payments

#### **Pension Fund Property** outlook

AT THE present level of the market, and pending the introduction of changes by the
Government, Mr. Cecil Baker,
chairman of Pension Fund Property Unit Trust (PFPUT1, says
in his annual statement, it is
alternated by the group
as a whole, however, bas shown
an encouraging trend.
Serious production difficulties difficult to be positive about the prospects for the future.

The pattern of rental growth, he states, may not be as buoyant in the near future as it has been in 1978. "On the other hand interest rates may continue to problems have now be decline."

problems have now be resolved, the directors state.

As known net revenue for the year ended Msrch 25, 1979, rose bauliers strike this January led Mr. Baker tells unitholders that the Trust's portfolio reached a value of £200m towards the end

of the year: all sectors appre-ciated in value with the agricultural side rising by over 20 per cent.
The chairman announces that the Trust, in conjunction with the

Grosvenor International Group, is to build up a modest investment porifolio in the U.S., and dollar currency exchange agree-ments, amounting to some £7.75m, have been completed. Meeting, 68 Regent Street, W. July 19 at noon.

FOLLOWING THE higher midway surplus of £1.47m, compared with £0.96m, further profits growth in the second six months enabled Stead and Simpson to boost its pre-tax figure for the year ended March 31, 1979, from £2.23m to a record £3.3m.

Turnover rose by £6.36m to £2.87m.

Turnover and profits were split as to: Footwear retailing £17.27m (£13.95m) and £1.75m (£1.89m), and motor trading £11.65m (£3.66m) and £0.52m (£0.4m) respectively.

In the first 10 weeks nf the current year, turnover has shown a 28 per cent increase for footwear dividence of the current year, turnover has shown a 28 per cent increase for footwear dividence of the first 10 weeks nf the current year, turnover has shown a 28 per cent increase for footwear dividence of the first 10 weeks nf the current year both sides of the current year both sides of the hudget but it is still too early to gauge the impact of the sharp VAT rise on trading for the rest of the year. The historical p/e is around 9 at 52p while the yield it is too early to make any forecast for this year, particularly because of the loss that will be incurred due to the company's inability to fully recoup from customers the VAT increase on

#### Profit lift for Eldridge Pope

TAXABLE profits of Eldridge, Pope and Co., brewer, went abead from £417,693 to £505,904 in the balf-year to March 31, 1979, on turnover up from £5.77m to

The interim dividend is raised from 2.83p to 3.25p.

In the light of the group's current trading conditions, the directors are recommending a final dividend of 1.375p lifting the total from 2p to 2.2p net per 10p share. Earnings of 4.18p (6.79p1 per share are shown.

year's £800,000, which suggests recovery.

comment

1978/79 1977/78 £000 £000 14.683 12.873 624 799 115 70

As late as December of last to 12.5 per cent) but at 261p, the year C. H. Industrials was expect-shares trade on a stated p/e of ing profits above the previous six. suggesting only modest

renewal charges from the sub-atantial investment programme. This masks a modest improvement in trading profit—from £540,611 to £570,143. Investment income was well up from £22,308 to £52,512.

# Cronite

A MORE hooyant market to the traditional nickel business enabled the Cronite Group to substantially improve profits in the haif year to March 31, 1979. The investment bolding company lifted the surptus by 55 per cent from £153,000 to £237,000 on sales up from £3.7m to £4.05m.

sales up from £3.7m to £4.05m. Pre-tax profits for the whole of last year totalled £263,000.

Mr. K. P. Ward, chairman, says although the free market price of nickel rose by more than 50 per cent in the past six months. months, the company is well placed to cover its commuments.

In addition, Mr. Ward points out that the half-year reflects the total closure costs of the Bedford operation. He adds that the group can look forward to continued improvement, without the diluting costs of loss-making operations, and that be is confi-

dent about prospects.

The net interim dividend per

the final few months came out about £200,000 below, budget.

Strikes and weather cost at least £100,000, and the decorative trim division, where management changes have been made, did surprisingly badly, but a major problem has been the group's

dependence on static markets,

notably consumer durables. The

last this year and good sales of

TR7 car-tops are expected but

overall prospects are unexciting.

The higher dividend barely

covered on a full tax-charge, indicates the company's own confi-dence (and bumps up the yield

# CH Industrials £175,000 off

AS EXPECTED, production difficulties, the road haulage strike and bad weather have left taxable profits of CH Industrials behind at £624,000 for the year ended March 21,1070 ended March 31, 1979, against a

inability to fully recoup from customers the VAT increase on

its existing stocks.

After tax of £1.73m (£1.17m)

and an extraordinary credit of £0.32m (£0.11m) on the disposal of properties, available profits rose from £1.17m to £1.88m.

Earnings per 25p share were 5.44p (3.68n). The 2.05p final dividend lifts the total by 24.46

per cent from 2.132p to 2.75p net

-after adjustment to reflect the change in ACT rate. Payments

change in ACI rate. absorb £0.79m (£0.61m). has "close"

Stead and Simpson has had its

best year for at least a decade, with profits showing a 48 per cent improvement. Against a

comment

decorative trim division which led to it incurring a small loss for the year as a whole. Management changes within the division were effected and the production And the effects of the road

panies within the building pro-ducts division which lasted for several weeks. This, combined with the adverse weather at that time led, in particular, in a further

loss being recorded by the paint company and hence a reduction in the expected profit contribution from the building products division, they explain.

Pre-tax figure for the year included a £63,000 contribution from the 21 per cent owned associate, Medfurn; profit for the previous year was struck after exceptional costs of £109,000.

Erregulia structure, where small amounts of oll and gas were recovered during swab tests of

Wanet abandoned the well in

A 3.500 metre hole is planned in January drilled by Oll Drill-ing and Exploration. Wapet

participants are Ampol Petrolenm, Cal-Asiatic, Texaco

Endeavour Resources has detected bydrocarbon indications

in the Mariut F2-1 well in Egypt.

The well as at 9,140 feet and drilling ahead. The hydrocarhon formation will be further evaluated using wireline logs when the well reaches total death.

Partners in the well are Muroby Eastern Oil, as operator, Ultramar, Endeavour, AAR and

Guilstream Resources.
In the event of a commercial

discovery interests will he Murphy Oll, 50 per cent. Ultramar, 25 per cent, AAR, 13 5 per cent. Endeavour, 9 per cent and Gulfstream, 2.5 per cent

\* \* \*
Test drillings by Janan's
Teikoku Oit have revealed an
inland natural gas deposit at
Nacaoka northern Japan.
No details were given by the

company, but reports suggest

Jurassic sandstones

#### OIL AND

#### **Exmouth Plateau search** gathers momentum

programme off Australias west

The first well nn the Exmouth Plateau, Zeewulf, drilled by Sedco 472 for the Esso-BHP partnership, was all but dry and the

Plateau.

A short note to stock exchanges from local partner MIN Holdings said that "log interpretations of lupiter No. I will indicates a thin pas bearing zone from 1905.5m." However, the smatement added that "occurrence was not resarded as of commercial interest."

A spokesman for Philips said that no other 6nds bad been made below this level because

electric loes had not been run to check for gas. The well is ges a day for at least five years.

Partners in the well apart from Phillips and Min, are determine the extent of the Mohll Oil Australia, RP densit.

ALLEN EARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Corphill, London EC3V 3PB. Tel.: 01-623 6314. Index Guide as at June 28, 1979

Capital Fixed Interest Portfolio ........... 115.65 Income Fixed Interest Portfolio ...... 105.00

# The pre-tax surplus includes extraordinary items of £146,981 Last year the group paid a (£69,541). The operating profits was down from £351,268 to £334,005 because of a near-25 per cent increase in depreciation and first increase in depending and first increase in depending and depreciation and depending and

ended March 31, 1879, against a previous £799,000.

In January the directors revised their interim forecast of an overall improvement in results for the full year, saying that it would not be achieved—profits at halfway had fallen to £386,657 (£453,091).

They now say that since March 31 trading by the around

Serious production difficulties arose in the second half in the

#### GAS NEWS

# The deepwater oil exploration Petrolcum Development Austrogramme off Australias west train and Australian Gulf Oil.

coast will reach top pace early next month when the third dynamically positioning oil rig cent interest. Jupiter 1 is consoruum's first well. Mesa Petroleum, the Texas-based operator of the Beatrice North Sea field, has farmed in with West Australian Petroleum

dynamically positioning oil rig
will arrive, reports Don Lipscombe from Perth.

Sedco 445 will drill for the
Woodside consortium which is
nearing the final stages of a decision on when to go ahead with
its North Wes! Shelf natural gas
project onshore near the
Exmoulb Plaleau.

The first well on the Exmouth

tWapet) with a 2,372 square km block in the Perth basin. Mesa will drill one well to earn a 60 per cont interest in the current two wells appear to bave passed through the most prospective zones without finding commercial hydrocarbons.

With three of the world's most advanced oil rigs soon operating on the north-west coast, prospects of finding the scale of olifield

of finding the scale of oilfield needed to justify development should soon become clear.

It has been estimated that for any discovery to be commercial on the plateau where water depths range from about 800 metres to more than 1,200 metres. pools of at least 500m barrels or recoverable oil must be found. Boger Johnstone in Sydney adds: a drilling consortium, led hy Philips Australia Oil, yester-day reported the first hydro-carbon show on the Exmouth Pirteau.

#### 16.53p Dividends per share 4.079p 4.711p 149.53p Net esset value per share 127.30p \*Includes £4.127m for U.S. subsidiary, compared with '£1.313m (3 months only last year).

Year to 31st March

Profit before tax

Earnings per share

Chairman reports:

Profit after tax.

Tumover

**Durapipe International** 

Limited

12,599

1,005

16.94p

833

at Ansell Jones, losses in newly established overseas locations, result in a slight fall overall.

Excellent results from Durapipe, a fall in profit

Dividend increased by maximum allowed. Proposed scrip issue on one for one basis.

Group currently trading at satisfactory levels, but benefits from substantial development programme not expected to show until later in the year.

The Report and Accounts can be obtained from: The Company Secretary.

Durapipe international Limited. Nurana Canes, Cannack, Staffordshire WS11 3NS

The Annual General meeting will take place at the Waldorf Hotel, London on Thursday, 26th July, 1979 at 11.00 a.m.

THE CRONITE GROUP LIMITED

#### Comments by the Chairman and Chief Executive

Mr. K. F. Ward, on the six months results to 31 March 1979 A more buoyanr marker within our readitional nickel alloy business has enabled the Group to show a considerable improvement in profits - up 55 per cent 10 237,000 (pre rax).

We can look lorward to a continued improvement in our results without the diluting effect of loss making operations.

I am ronfident about the furure prosperts of the

		Half-year to	Year
	31 March	31 March	30 Se pr
	1979	1978	i97
	(unaudited) £000's	(unaudited) £000's	taudited £000
Sales (outside Group)	4,054	3,695	6.87
Profir before interest	291	160	32
Interest payable	54	27	6
Profit before tax	237	153	26
Profit after tax	. 114	73	120
An unchanged interim	dividend of	1 PA427b.	O-4:

Shares and a dividend of 2.8 per cent on the Preference Shares are announced. The full year's dividend will be considered when the final results are known

# specialists in nickel alloys

These securities having been sold, this announcement appears as a matter of record only



#### Banco Nacional do Desenvolvimento Economico U.S. \$50,000,000 Floating Rate Notes 1989

European Banking Company Limited

Bank of America International Limited

Banque Nationale de Paris

Commerzbank Aktiengesellschaft

Memil Lynch International & Co.

Manufacturers Hanover Limited

S. G. Warburg & Co. Ltd. Société Générale

Salomon Brothers International

European Brazilian Bank Limited - Eurobraz sene Bank Rederland M.V. A. E. Ames & Co. American Express Bank Banca Commerciale Italiana Banca del Cottardo Banco Urquijo Hispano Americano

Wood Gundy Limited Libra Bank Limited

Bank für Gemeinwirtschaft Bank Gutavillet Kurz, Bringener (Overseas) Sank Julius Baer International Bank Moss & Hope N.V. Bank of Hekinki Ltd. The Bank of Tokso Holland) N.V. Banque Bruvelles Lambert 5 A. Banque Française du Commerce Exteneur - Banque Genérale du Luxembourg S.A. - Banque Internationale à Luxembourg S.A. - Banque de la Sexient Travacure Lucepéanne Banque de l'Indochine et de Sucz - Banque de l'Union Europeenne - Banque de Neutlice, Schlumberges Mallet - Banque de Paris et des Pin «Bas - Bunque Pris es A. Banque Rothschild Banng Brothers & Co., H. Albert de Bary & Co N.V. Bayensche Hypotheken- und Wechenfellank Bayerische Landesbank Gliozentrale Bayerische Vereinsbank International S.A. Berliner Bank Visera - Garan Berliner Handels- und Frankfuner Bank Shith Eastman Dillon & Co. B.S.L.Lindensiniers Cause Centrale des Banques l'opulaires Caisse des Ocpots et Consignations Class Manhattan Chemical Bank International Group Christiania Bank og Kreditkasen Compagnie de Banque et d'im estasements (Understates: 5.1). Compagnie Monégasque de Banque Copenhagen Hundelsbunk Counter Bank Credit Agricole Circle Industriel et Commercial Insured Crédit Lyonnuis Crédit du Nord Creditanstali Bank verein OBS-Dans a Securities International Dansa Europe N.V. Richard Cous & Co. Dim Danel e Bank Den nor-ke Creditiank Deutsche Grozentiale Development Imance Corporation of New Zealand Diewiner Bank Drevel Burnham Landw-ry Turoge-15 p.A. kummobilan Sp V - 1-- U Jacago

Robert Heming & To. Tup interactional brance. Genossenscharpliche Zentralbank 40 Antony Clabs Holdings Ltd. Carozentiale und Bank der ostenerchischen Sparkassen A.C. Goldman Sauhs International Corp. Hesseche Landesbank 161 International Jaiding Hengrey & Company Kansalis-Osake-Pankla Lazard Flerci el Cie Hord-Bank teremational Condon & Cominental Bankers E. Metzler seel, Sohn & Co. Astsubishi Bank (Europe) S.A. Samuel Montage & Co.

Nomura Lurope N.V. The Nikko (Luxembourg) S.A. Morgan Stanley International Nippon European Bank S.A. Norddoutsche Landesbank Österreichische Landerbank Orion Bank Pierson, Heldring & Pierson NV. Postipaniki Phbanken Renout & Co. Rothschild Bank VG. 11 M Pothechild & Your Set Oppenheim jt & Cic. Sanwa Cank Underwhierst Scandinavian Bank Schröder Munchagerer, Height & Co.

I. Henry Schroder Wagg & Co. Skandinaviska Enskilda Banken Smith Barney Harris Lipham & Co. Societé Bancaire Barclays (Suisse S.A. Societé Contrale de Banque Société Generala Alsacienate de Banque Societe Génerale de Banque S.A. — Société Générale France: Bank — Sociéte Privee de Gestion Financiere et l'invière Standard Channeld Merchant Benk, Strauss, fumbull & Co. Sunntomo Finance International Sun Hung kar International Science Handlesbenken, Strauss, fumbull & Co. Sunntomo Finance International Sun Hung kar International Science Handlesbenken, Strauss, fumbull & Co. Sunntomo Finance International Sun Hung kar International Science Handlesbenken, Strauss, fumbull & Co. Sunntomo Finance International Sun Hung kar International Science Handlesbenken, Strauss, fumbull & Co. Sunntomo Finance International Sun Hung kar International Science Handlesbenken, Strauss, fumbull & Co. Sunntomo Finance International Sun Hung kar International Science Handlesbenken, Strauss, fumbull & Co. Sunntomo Finance International Sun Hung kar International Science Handlesbenken, Strauss, fumbull & Co. Sunntomo Finance International Science Handlesbenken, Strauss, fumbull & Co. Sunntomo Finance International Science Handlesbenken, fumbull & Co. Sunntomo Finance International Science Finance Fi

Tokai Syowa Mingan Geniell Trade Development Bank, Union Bank of Finland Ltd. United International Bank Vereins and Westbank Aldrenges dischart Index bank I Vontobel & Co. Westdeutsche Landesbank Givorgeninde - Wirtschalts und Provibenk - Dean Witter Respolits International - Variation International - Actual and Provibence - Dean Witter Respolits International - Variation International - Actual Actu

May 1979

Caisse d'Epargne de l'Etat

Banque de l'Etat

Banque Commerciale S.A.

Bergen Bank International S.A.

Succursale de Luxembourg

Andresens Bank International S.A.

Crédit Industriel d'Alsace et de Lorraine

Banque Continentale du Luxembourg S.A.

External turnover

Prolit before taxation

Barned for ordinary shareholders.

Dividends to ordinary shareholders.

adoption for the annual accounts.

excellent results produced in other parts of the organisation.

Group's leading position in the field of power transmission."

Profit after taxation

Betained profit

to Group profits.

Barnings per share.

Extracts from Chairman's Statement

Statement by the Chairman

The progressive increase in the level of revenue from our assets has been maintained, gross revenue rising to £145,458 (from £132,872) for the year ended 31st March, 1979 and net revenue after tax increasing to £75,068 compared with £69,727 for the previous year. As a result I am pleased to propose a final dividend of 2,14 pence per share which together with the increased interim of 1.05 pence will make a total payment of 3.19 pence against 2.80 pence per share last year, enabling us to carry forward a sum of £4,125 to revenue reserves. I also propose an increase in directors' fees for the current year, which have remained unaltered since 1975, to compensate for the loss in purchasing power during this period. Net assets at 31st March, 1979 were £2,099,235 (93.6 pence) compared to £1.981.035 (88.3 pence) at 31st March, 1978. This 6 per cens, improvement compared with rises of 14.4 per cent, and 29.7 per cent. In the Financial Times 30 Share and Financial Times All Share indices respectively and a rise of 13.8 per cent. In the Dow Jones Industrial Index but we suffered on our overseas holdings from the rise in sterling of 10.9 per cent, and the fall in investment currency promium of 39.6 per cent. The continuing problems in the United States during the year under review led us to reduce our commitment to this area and to increase she U.K. equity contens from 25.52 per cent, to 47.15 per cent, in view of the more favourable outlook presented at that time. We have continued to reduce the proportion invested in orelevence shares reinvesting in ordinary shares and will maintain this policy with the object of reducing the fixed interest securities as opportunities arise. The largest invest-ment held is in Pan Holding S.A.—an international investment trust which has a record of steady growth.

The recent increase in oil prices coupled with the curback in supplies is causing difficulties throughout the world as efforts are made to contain usage of this vital commodity. With resultant using inflation levels in many countries gold is likely to continue. as the most fiveured hedge to provide protection once again. Those countries such as ourselves with self-sufficiency in oil are fortunately better piaced than most. The store of wealth represented by North Sea Oil will assist our economy, and under a Conservative administration we hope will bring greater benefits to the nation as a whole than would have been the case otherwise. As far as the United States is concerned the long-strm potential remains unchanged, but to realize this, and to deal with the many pressing problems facing the economy, will require greater qualities of leadership than we have seen in the reacht past. ROBERT STRAUSS, Chairman

KINGDOM OF NORWAY

Lux. Francs 1,500,000,000

Five year Fixed Rate Loan 1979 - 1984

managed and arranged by

Banque Internationale à Luxembourg

Societé Anonymo

together with

Compagnie Luxembourgeoise de la

Dresdner Bank A G

Dresdner Bank International -

BANQUE INTERNATIONALE A LIIXEMBOURG

INTERIM ANNOUNCEMENT

Thete: The bounes for each half year are calculated using the same principles as

"Generally weak and highly competitive trading conditions in the UK, high interest

costs and the relative strength of sterling, have resulted in a depressed first half performance. The areas of our business concerned with supplying the automotive industry have suffered especially badly and this has more than offset some of the

In contrast to our performance at home, practically all overseas companies have recorded solid progress, including the USA, where turnover and operating results

have been considerably improved. Aggregate profits overseas are ahead of last year.

Since 3rd March 1979 we have purchased 60% of the share capital of Dick Bearings

Benelux markets and early indications are that it will make a worthwhile contribution

J H FENNER & CO (HOLDINGS) LTD

The Fenner Group is principally concerned with the manufacture of power transmission

equipment, industrial conveyor beltings, materials handling systems and fluid seals.

Limited: this acquisition will substantially strengthen our coverage of the UK and

Meanwhile, the board has recently approved a substantial programme of capital expenditure to secure further reductions of Unit costs and the maintenance of the

Half Year Ended

3rd March 1979

(unaudited)

£000's

42.352

2,806

1.781

849

764

6.27p

Half Year Ended

4th March 1978

(unaudited)

£000's

38,675

3.641

1,931

1,767

771

996

8.15<sub>0</sub>

Companies and Markets

Inland Revenue. No provision has been made in the accounts, hut Press estimates that the total potential liability on the charges would seem unlikely to exceed The group has cash of £15.4m in the balance sheet as at December 31, 1978.

regards any possible liability under the Taxes Acis." But they are unable to express a view as to the overall conlingent liability in view of the "malerial uncertainty."

In his etairman's statement, Mr. W. A. Hawken says the group has continued to match the considerable achievements made over the past few years. Fullire growth depends to a large extent on the commitment of clients in further expansion and development.

Norddeutsche Landesbank

International S.A.

· Den norske Creditbank (Luxembourg) S.A.

Bank Oppenheim Pierson International S.A.

Christiania Bank og Kredilkasse

Internalional S.A.

We could Renold slips to £10.2m as meet claims
—Wm. Press demand remains depressed

difficulty." according to a note able profit dip from £10.36m to remained relatively housant. in William Press' annual report. F10.2m in the year to April 1, especially those associated with The group is defending the 1979. Sales went ahead from energy production.

The group is defending the 1979. Sales went ahead from energy production.

The directors was struck.

The directors was at a few days and the first term of the first term

the coming year but with the slight rise in trading profit benefits of rationalisation and streamlining they face 1979-80 with confidence.

auditors, qualify the accounts for unlikely to be a major improvement in the second-half because attributable profits are up from the second year running on this ment in the second-half because attributable profits are up from tax dispute. They say they have an operated information which pointed out that the overseas attributable profits are up from 15.29m to 16.89m.

The net divided from 15.48n to 10.35n to 10.35n would lead us to disagree with companies, which had lifted the view of the company as trading profit, were benefiting from the 1977 reorganisation. UK trading surplus had then declined from £4.07m to £3.87m.

The Board now says that there fixed assets at £59.3m against was decline in the UK results— £63.41m. Net current assets are from £8.7m to £80.—which was up from £58.7m to £63.9m, and more than compensated for the nverseas operatinos, so that trading profit for the year rose a per cent at £13.64m.

The directors add that in the UK the demand problems were aggravated by disruption in the group's own production hence purchasing schedules.

The directors say they do not after increased interest charges expect any significant improvements in the economic climate in \$2.45m and swallowed up the After tax totalling 14.34m

(£0.43m) the net profit comes out at [5.86m, against £6.93m]. Al midway when the surplus But with an extraordinary to December 31, 1978.

Tansley Whit and Co., the directors warned that there was a substantially reduced exchange a substantially reduced exchange loss—from £1.64m to £3,000—

> is lifted from 9.5446p to 10.25p will a final of 7.55p. Stated carnings per share are down from 17p to 14.9p. The balance sheet shows group

> bank overdrafts and advances are down from £7.3m to £4.7m io the UK. and from 58.2m to \$7.3m overseas. Relaxation of the "last in, first

out" rules by the U.S. revenue authorities has enabled the group to revert to the "first in, first cost basis for consolidating

IT SHOULD be possible to meet any claims and costs from the products throughout the world better than others, and in the products throughout the world better than others, and in the retaining LIFO for tax purposes. Inland Revenue "without undue and machinery group, saw taxing the product of the change \$882,000 and machinery group, saw taxing the product of the change \$882,000 and machinery group, saw taxing the product of the change \$882,000 and machinery group, saw taxing the product of the change \$882,000 and machinery group, saw taxing the product of the change \$882,000 and machinery group, saw taxing the product of the change \$882,000 and the product of the change \$882

Renold has continued to mark

#### comment

time in the second half. The overdraft was cut by around £3.5m, mainly from the sale of the Fenner stake, but the sharp officials. jump in interest rates increased charges by a third, and this re-moved the gloss provided by the overseas companies. At home, the engineering sector continues in he stuggish but Renold dld well to limit the trading downturn to 8 per cent, especially with so much competition around. In overseas markets, the strong pound did not help. nevertheless trading profits were almost a third higher. The push came mainly in Europe, par-ticularly France, where reorganisation has helped the company to gain market share in chain products. It is clear that Renold will have the rely on its overseas interests to bail itself out of the doldrums for the foreseeable future at least. The shares future at least. The shares jumped 12p to 110p where the p/e is 6.9. A 14.3 per cent yield

provides the main attraction.

MINING NEWS

# Diamond cutters for Botswana

BY OUENTIN PEEL IN GABORONE

concern to set up a phot cutting plant in the capital, Gaborone, some 4.8m carals, according to senior mining Good progress bas been made officials. according to senior mining

The agreement, with Mabrodlam of Antwerp, is the first major siep by the Botswana Government in its policy of seeking to create more jobs from its lucrative diamond mining industry. Initially, il provides for a pilot plant employing 50 people, which officials hope will eventually build up to a total of some 500 employees.

The plan has not been greeled with parlicular enthusiasm in the mining industry, on the grounds that similar operations in Sierra Leone and Tanzanis have not proved a success.

Industry executives point out laying is ready to start. that the diamond output of Debswana, the joint concern of De Beers Consolidated Mines and at least 1,000 employed by the Botswana Government, from the existing mines of Orapa and eventually employ 1,400 to 1,500 to 1, Industry executives point out the existing mines of Orapa and Letlbakenc, and the expected out-put from the new mine at Jwaneng, is bound to be sold through the Central Selling Organisation in London. Stones to he cut will then have lo be back to Gaborooe for culting.

tion by 1982, will be a considerable expansion of the existing diamond sorting operation in

than double the diamond output of Bolswana, producing at an

region of Western Australia.
The plant takes Mount Newman into the field of secondary ore processing and will provide

each year a further 5m tonnes

of high grade ore. The plant will treat a mixture of ore and

shale material, which otherwise

The opening of the plant fulfils

Mt. Newman expands

Jwaneng is expected to more

THE BOTSWANA Government initial rate of 3.5m carats a year, is about lo-sign an agreement rising to 6m carats by the mid-will a major diamood-cutting 1980s. Combined production of concern to set up a pilot cutting Orapa and Letihakene will reach

new township authorily was inaugnrated this week. Stripping of the massive overburden of Kalahari sand—from 30 metres to 50 metres deep—should stari by the end of the year. The first bulk sampling plant will be operational by March next year.

Design work on the main plant has started. The Pula 260m (£145.4m) project includes a new road to the descri site, an Sirstrip, and a new rail siding in Lobatse, on all of which work has already started. The mine will use water from a large underground aquiter some 50 kms away, and pipe-

while at peak construction, the contractors will have a workforce of more than 2,000.

Officiala say the operation is both on schedule and on budgel.

The Botswana Government bas agreed to exercise Its option to A less controversial spin-off stake in the mine, which should from the Jwaneng mine, which raise its profit share to more is planned to come into product than the 77.5 per cent it earns at Orapa.

In spite of such a targe share passing to the Government, Dc Beers seems confident that the

#### BIDS AND DEALS This announcement appears as a matter of record only

## Another PMA expansion moveagreed £0.85m offer for Lebus

PMA Holdings, the fast-growing accept the offer in respect of will improve further and that itchen and bedroom furcifure holdings totalling 190,166 shares expansion plans put in hand a roup, yesterday announced an (8.8 per cent). kitchen and bedroom furoiure group, yesterday announced an £855.000 agreed hid for Harris Lebus, one of the oldest furniture manufacturing companies in

News of the deal comes only three mooths after PMA spent £5.2m in a major move into Do-It-Yourself and four and a half months after Lebus annouoced

man of PMA, last night explained why he tell it was sensible to merge the Iwo groups' interests.

In parlicular, PMA was anxious to accept. to acquire the Lebus brand name, which is one of the strongest in the furniture manufacturing trade.

Next, Lebus' strength in the lower- and middle-ranges of the f300m UK upbolstery market would neatly complement PMA's coocentration at the expensive

Furthermore, Lebus bas recenlly moved into DIY products on its cabinet side and has an attractive mail order

Details of the bid are ten ordinary shares for every 29

(8.8 per cent).

Mr. Mcredilh last night said there would be changes in Lehus'

management after the merger.

He predicted that Lebus would break even in the current year to March 1980—after that be expected profits and margins lo improve.

Mr. Oliver Lebus, chairman of Lebus who is to remain with the company, said the activities

#### **EXCHANGE**

Carless Exploration, a subsidiary of Carless. Capel and Leonard has reached agreement with Weeks Natural Resources IUK), a subsidiary of Weeks Petroleum Limited, on an exchange of liceoce interests. Carless will exchange 10 cent of its interests in its UK nushore exploration and production licences for a 10 per cent interest io 7 blocks in Texas and

SHEEPBRIDGE

given irrevocable undertakings to for internal combustion engines Stanley 76.75 per cent.

this confident nutlook, neverthe-less recommends them to accept the take-over bld by Guesi Keen and Netilefolds. "Your directors helieve that the offer places a value on a Sheepbridge share significantly in excess of the

wisely conceived and timed."

But Lord Aberconway, chair-man, in telliog shareholders of

market value likely to be reached in the foreseeable future." he CAI SALE Cope Allman International has snid Cope Allman (South Pacific), its Fijian-based subsidiary, to

Burns Philp (South Sea) Com-pany for 1.7m Fijian dollars (just **MORRIS & BLAKEY** 

A. G. Stanley's offers for the ordinary and "A" (non-voting) ordinary capital of Morris and Biakey have been declared unconditional to acceptances, and remain open.

Acceptances received in respect of 1,347.842 ordinary shares (72.82 per cent). bringing Stanley's holding up to Lebus which at last night's PMA The directors of Sbeepbridge 90.19 per cent. Acceptances closing price of 115p values each Engloeering are "greatly opti-have also been received in the Lebus share at almost 40p. The directors of Sbeepbridge 90.19 per cent. Acceptances to the company's respect of 805,667 "A" ordinary ebus share at almost 40p.

The directors of Lebus have fulure, believing that the market shares t70.22 per cent), giving iven irrevocable undertakings to for internal combustion engines. Stanley 76.75 per cent), giving

an undertaking given to the Western Australian Government in 1964 when state approvals were granted for the mine. The joint ventures agreed to start annual rate of 500,000 tonnes by

would be dumped.

The facility will be able, in fact, in treat 7ni tonnes of material a year. Its commission-ing brings to A\$850m the total Mount Newman capital invest-

A NEW ASS5m (£14.1m) bene- the state Premier, took place ficiation plant has been formally against an inauspholous back-opened at Mount Newman ground. The whole of the Pilbara Mining's from ore operation at area was recently toset by the Mount Whaleback in the Pilbara arrest of 10 trade union officials who were charged under a controversial state law forbldding the bolding of public meetings without police permission.

This particular incident led to the declaration last week of a national day of protest ann exacerbated labour relations or the Pilbara itself, where therewere already pay disputes ir

. progress.

These difficulties came as the markefing problems of the Western Australian iron-ore producers showed signs of easing.
Amax, the U.S. group which
manages Mount Newman, bad
already predicted that "shipmeots in 1979 are expected to be slightly higher than the record level altained in 1978. The other partners in the Mount Newman joint venture are

# Near £28m valuation on Hardy

Harris Queensway's originat parent free of interest. 125m but this was rejected by annual instalments. agn the two sides reached agreement in principle with only the details in he worked out.

The new offer is one ordinary Harris share plus 555p cash for every six Hardy ordinary and one Harris share plus 495p cash for every six Hardy "A"

ordinary.
This values each Hardy ordinary share at 130p and every "A" ordinary share at 120p. The new Icrms also include an alternative offer to the cash clement in the form of an unlisted 10) per cent unsecured loan stock of Harris, guaranteed hy County Bank, the company's

advisers. County Bank is also making a separate each offer of 210p per share for all or any of the Harris shares to which accepting holders in Hardy will become

A capital reconstruction of liardy, to save expenses, is prinposed.

H & C (INDIA) Harrisons 20d Crosfield will

Covernment Debt.

Other Government Escunies ......

Other Securities.....

ask shareholders to approve its Indianisation scheme at an EGM of each class of shares under

Harris Queensway, the carpet told H and C that not more than retailing and DIY group, has 40 per cent of H and C (India) remains open until further finally revealed the terms of its should be held by non-residents. agreed bid for Hardy aod Co. (Furnishers). The new offer values Hardy at £27.7m. (Iodia) would retain Rs85,000,000 as secured loan from its British BY SMITHS INDS bid last month valued Hardy at will be repayable by two equal

> JENKS & CATTELL RESISTANCE Armstrong Equipment's £1.8m

bid for Jenks and Cattell, the Wolverhampion group, has been engineering received in respect of only 3 per cent of Jenks and Cailell shares. Together with the shares it already holds Armstrong now owns or has received acceptances in respect of 766,328 sbares

(34.83 per cent). Last night Mr. Harry Hooper. chalrman of Armstrong, admitted that his company might not receive sufficient acceptances (50 per cent) for the offer to go

neonditional.

But be repeated an earlier etatement that the bid would not be increased above its present level of 81p cash per share. There is a non-cash alternative.

LONRHO/SUITS Lonrho has now received acceptances from just over 75

per cent of the number of SUITS shareholders to whom the offer was made.
This represents 67.85 per cent

n July 19. offer, so that Lonrho now controls
The Reserve Bank of India has \$7.09 per cent of each class of

Smiths Iodustries has hought

Concord Laboratories Inc. of Keene, New Hampsbire, U.S. Concord makes and distributes disposable plastic medical products used principally in hospital and medical treatment. Cocord's products complement those of Portex, Smiths Industries' disposable medical products business.

ROTAFLEX Rotaflex (Great Britaio) is launching a new subsidiary— Rotaflex Home Lighting. After extensive market research, the group has decided to re-enter the domestic lighting market, which it last served some ten years ago.

SHARE STAKES

CCP North Sea Associates— Cluff Oil has hought a further 8.361 sbares bringing its total holding to 135,438 sbares 114.5 per centl.

Trafalgar House-As a result of sale of 100,000 shares on June 13 the Kuwait Investment Office has an interest in 13,670,500 shares of Trafalgar House t5.7 per ceni).

Streeters of Godalming-Messrs. E. A. Streeler, N. J. Streeter and P. C. Mazzotti announce that as a result of com pletinn of the purchase agreement with Costain Group their shareholdings in the enmpany have been reduced to 256,034 13.5 per cent), 541.189 (7.3 per cent), and 130,827 (1.8 per cent) respectively,

#### **Capital & Counties hopes** to boost dividend

Property Company during the cash and short-term deposits current year is forecast by Mr. amounting to £15.6m (£14.9m) Keith Wallis, the chairman, in available to support the comhis annual statement.

This should enable the directors to recommend a further substantial improvement in divid-end payments, he states:

portfolio, development and trading activities, coupled with strong management

investment was slightly lower, but this was substantially out-weighed by the reduction in net interest payments from £4.32m to £1.14m.

A divisional analysis of turnover, £18.43m (£18.8m), and operating income. £7.42m (restated £7.97m), shows twith £000s omitted): property investment £10,632 (£10,052) and £6,101 (£6,703), housebuilding £6,083 (£8,7511 and £685 (£1,154), property trading £1,715 (nil) and £662 (£21), and other £32 loss (£S7 profit).

As a result of transactions relating to Europe and of the re-purchase of a further U.S.Som nominal of the company's 9 per cent guaranteed bond issue borrowings at the year-end had been reduced from £42.9m to affected by a general turndown in corporate profitability.

WORTHWHILE improvement currency exposure represented in both investment and trading £8.1m.
income of Capital and Counties At balance date, there were

pany's growing development programme: During the year, the company re-entered the development and refurbishment market. A major refurbishment scheme at West With the company's investment. Halkin House is nearing completion and negotiations are welladvanced in respect of a shopping centre at Wakefield and an office development in Lewisham.

future with enthusiasm.

In the year ended March 25, the group had committed £2.28m (nil) for future capital expenditure, of which £1.64m had been with the first the stightly lower than the first the stightly lower than the first the stightly lower than the stightly low

#### Northern Secs.

Northern Securities Trust has concentrated a major part of the funds invested in the UK in smaller companies, says Mr. R Hanning Philipps, chairman, ir his annual statement. He points out that in the UK investment has been running at an exceptionally low level, and with low productivity and high interest rates, the outlook for company profitability bas beer generally poor.

For this reason the company has concentrated on smaller com-panies with proven records, high returns on capital, and whose activities are less likely to be

#### BANK RETURN

	June 27 1979	for week
BANKING	DEPARTMEN	T
Liabilitles Capital Public Daposits Special Deposits Bankers Deposits Reserves & other Accounts	14,553,000 25,814,402 740,890,000 453,387,279 583,305,786	£ 4,075,199 — 24,621,285
-	1,814,940,467	- 60 280,143
ASSETS Government Sacurities Advances & Othar Accounts Premises Equipment & Other Secc. Notes Coln	1,457,969,417 178,255,959 187,602,507 10,810,484 203,500	- 63,593 015 + 14,713 995 - 139,843,034 - 1,365,558 - 9,677
-	1,814,940,467	- 60 280,143
	EPARTMENT	
Liabilities :	. £	£
Notes lasued In Circulation In Banking Dapartment	9,225,000,000 9,214,089,516 10,910,484	+ \$0,000,000 - 48,634,442 - 1,365,558

# **Coats Patons Limited**



Appointment Mr. Herman Schaller has accepted

an appointment by Coats Patons Limited as Overseas Trading Consultant to their Garments Division. In this capacity he will assist in developing Coats Patons' growing garments business on a world wide basis, making full use of the Group's manufacturing capacity and considerable overseas network.

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8,090,459,913 1,123 524,987

9.225.000.000

+ 196,602,761 146,602,761

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# it lifts payment

IDATED PROFITS of Joseph Holdings fell 3,274 to 5488,427 in the March 31, 1979, e company is lifting the e company 4s lifting the mirror from 8.71p to the per fit share with a 7.627p. Earnings per shown down from 18.58p.

to the group's future i higher payment. this Herbert, chairmen, it that profitability of that profitability of the market operations by the case in marianum at from 6; per cent at ming of the year to a per cent in February much there was a fall rough there was a fall cent by the year end. spire this, these opera-de a substantial profits

ion, and the group bas lly widened the services to customers. a successful year both and Guernsey. The exchange department useful profits contributes that the provision of the provision o a successful year both a and Guernsey. The exchange department useful profits contribu-

57,442 k Interest: \$6,600 56,9

# Cawdaw hit by higher

AFTER HIGHER Interest of £248,550, against £185,897, taxable profits of Cawdaw Industrial Holdings, textile and timber group. finished the March 31, 1979, year down from £435,563 to £400,072. Sales were ahead from £400,072. Sales were ahead from £11.8m to £12.9m.

that the provision of a growing the advice for a growing efficients.

Therefore says total assets fall from £81.98m to argely due to n reduce e tess profitable foreign tending.

That the provision of increased from 2.4579p to 2.5679p net per 25p share.

Net profits emerged higher at £301.629, against £273.739, after lower tax of £98.443 (£161.824).

After an extraordinary debit of £13.338 (£15,469) and minorities £787 (same), the attributable halance came through ahead from £257,483 to £287,504.

# interest

## eopold Joseph dips Whatlings looks for recovery after £0.28m loss midway

AFTER A non-recurring loss of The net interim dividend is main-£120,000 on closure of Middle tained at 0.9p and again absorbs East operations, Whatlings £36,000. Last year's total was turned in a taxable deficit of 2.867p.

Full-year results will show a recovery, the directors say. But it is still too early to make an accurate forecast—in the last full year, profits were £362,000. They point out that group profits are normally earned during the second half.

The group has an adequate order book with a higher-than-normal proportion of private sector work and is ready to take advantage of improvements in

East, prospects are much less attractive and accordingly it has been decided to withdraw from direct representation in the

area.
In the period under review, the bad weather and strikes caused particular difficulty at a time when the industry world-wide is suffering from recession

E280,000 in the half-year to March 31, 1979, compared with a £110,000 profit last time.

A total of £146,000 is transferred from deferred tax reserve, compared with a £57,000 transfer to reserve last time.

#### Lookers slips to £804,000

advantage of improvements in market conditions.

The directors say that, although the building group has undertaken profitable contracts in the three years during which it has operated in the Middle East, prospects are much less

At the annual meeting in March, Mr. R. E. Tongue, chairman, said the first four months' profits were higher. He now says the half-year results are satis-factory hearing in mind the transport strike and bad weather.

taxable surplus reached £1.73m (£1.44m). The net interim dividend Is raised 40 per cent to 1.4p (0.99825p). Stated earnings are down from 9.6p to 5.7p.

Tax was higher at £377,835 (£139,107). As a result of the Budget, the charge includes £245,000 deferred tax after the withdrawal of 100 per cent first-year allowance on leased vehicles.

After an extraordinary debit of

After an extraordinary debit of £2,979 (£7,584 credit), the attributable balance came through lower at £423,091, against £721,897.

The chairman says the car lessing operation has earned good profits and should continua to do well despite the recent tax changes. Pressure on profit margins in the BL Cars franchises has intensified.

The agricultural side has produced good results and its activitives have recently been tives have recently heen extended through the acquisition

#### KAREN ASPHALTE

A compulsory winding-up order made nn Monday against Karen Asphalte Company has been reswhen the industry worldwide is suffering from recession
and reduced margins.

Turnover for the half year was
lower at £8.05m, against £8.56m.

Turnover for the half year outcome, Last time the

Turnover for the half year outcome, Last time the

Turnover for the half year was

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Turnover for the hal

# Mothercare on right track for solving U.S. problems

THERE WILL be no change in Mothercare's dividend policy for the time being, even though it means disappointing share-bolders, Mr. Selim Zilkha, tha group's chairman and managing director, said at yesterday's ACM.

THERE WILL be no change in pany was selling jeans at chairman told sbareholdera at US\$4.25 a pair while Sears the annual meeting. By the end of this month, however, the shortfall should have been recouped and, subject to unforeseen circumstances, the took too much UK merchandise profits in the current year.

He was replying to a share-holder who suggested the low yield (2.7 per ceo1) was holding the share price down, and who urged the Board not to linger too long on the question lest a new incomes freeze be imposed.

Another shareholder asked about the company's problems in the U.S. and Mr. Zilkba said that It was dealing with big losses ("not big in terms of the company but big in themselves") and relatively small sales. The sales increase of 32.9 per

"The sales increase of 32.9 per cent for the first 1a weeks, takes us nowhere." he said. "The increase is just on hudget and I have already said in the annual report if we only stay on hudget we will continue to make losses." "We are on the right track but the trunround will take a little time.'

in the merchandising side of were £400.000 lower than those net profits for the six months the operations and told share-dugeted, due to external strikes were down from £153,246 to

took too much UK merchandise but we are gradually switching

to local sources and it's funny how receptive U.S. supplies are to our needs, particularly in view of our small turnover there at the moment. He did not give an outline of

overall prospects for the current year hut did say that UK sales in the first 12 weeks were about 321 per cent up on the same period last year and above hudget. The U.S. sales were 32.9 per cent up while those in Europe in the first 15 those in Europe, in the first 16 weeks, were almost 15 per cent

#### Folkes Hefo expects rise

ttle time."

Profits in January and He said that the problem was February a! John Folkes Helo the merchandising side of were £400,000 lower than those

#### Braid down to £275,153 midterm

ALTHOUGH TURNOVER was better at £15.08m against £13.81m, taxable profits of Braid Group, motor vehicle distributor, de-clined from £339,246 to £275,153 for the half year to March 31,

With earnings per 5p share lower at 2.14p (2.49p), the net interior dividend is slepped up from 0.48p to 0.555p—last year's total was 1.5384p on £870,820 pre-

lax profits.
After tax of £143,000 (£185,000)

#### ownlee ahead to £0.96m

the depression in the ctor of the construction continued throughout but there was a slight tent on the private side. id modernisation conincrease. s that prospects for the

ion industry remain un-ut they expect demand ie improvements and atlon to continue to

t dividend per 25p share from a total of 2.2966p h a final of 3.4p. Stated per sbarc are well up adjusted 5.1p to 10.1p.

recast, margina of and Co. improved in its balf and the timber group lifted taxable £962,000 in the 53 weeks 31, 1979, compared with in the previous year. At the surplus was up from to £405,000.

A. Barns-Graham, chairty the depression in the profits were down from £213,000 to £103,000.

Tax on an SSAP 15 basis was down from an adjusted £401,000 to £246,000. Net profit came out at £716,000, against £365,000, The company's land and buildings are being revalued and the directors expect this to throw up a substantial surplus.

į		1979 153	1978 (52
1		Weeks)	Weeks
		€000	0003
)	Sales	21,314	19,04
	Trading profit	859	55 21
	Accord prom.	103	21
3	Associates	103	21
	Profit before tex	962	76
,	Tax	246	40
ì	Profit efter tax	716	26
_	FIGHT GIRT TOY		30
•	Extraord, credit	_	14
	Available	718	76 40 36 12 49 15 32
	Dividende	287 429	16
		420	33
	Retained	429	34

June 28 Week ago Month ago

#### OD PRICE MOVEMENTS

N	£	£	£
sh A.1 per ion	1,180	1,150	1,150
isb A.1 per ton	1.120	1.095	1.065
er A.1 per ton"	1,120	1,095	1,065
ER			
per 20 kg	14.22/14.37	14.82/14.37	
lish per cwty	81.65	81.65	S1.65
ish salted per cwt†	85.10/87.70	85.10/87.85	85.10/87.83
SET			
per tonnelisb cheddar trad.	_	<b>-</b> .	_
r tonne		_	_
it (Ottive		_	
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ie produced:	3.10/3.30	3.20/3.30	
zc 4	3.60/3.80	3.5074.20	
ze 2	June 28	Week ago	Month ago
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	p	p	P
tish killed sides		** * 100 0	
:CF	64.0/68.0	64.0/68.0	59.0/63.0
forequarters	42.0/44.0	<b>41.0/43.0</b>	41.0/43.0
3			
lish	66.0/70.0	66.0/76.0	52.0/96:0
PLs/PMs	50.5/51.5	50.0/52.0	51.0/52.5
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-unlabla	34.0/44.0	34.0/44.0	34.0/44.0
weighls	91.U/ T1.U	OFO/4TO	O LOF ALIO
TRY			
in-ready chickens	41.0/44.0	41.0/41.0	41.5/43.5
London Egg Excharvailable. I For deliv	nge price pe very June 30	r 120 eggs. July 7.	† Delivered

#### RANCIS SUMNER (HOLDINGS) LIMITED

#### hlights from the Chairman's Statement

t profit before taxation and extraordinary items : after all charges for the year ended 31st cember, 1978 amounted to £693,466 on sales to rd parties of £15,103,502.

total dividend of 0.791Sp for the year — the ximum allowed under present Government

it current assets bave increased to £3,906,728w 68.5% of entire net asset value.

long winter, coupled with industrial unrest, did not lp the Group's business in the first months of the esent year, but even so the order book and sales at eod of April 1979 show an increase of approxiitely 16% and 8% respectively. Your Directors confident of continued improvement and are king forward to another successful year.

PLASTICS — ENGINEERING — TEXTILES

#### ROWTON HOTELS

from the Sintement by the Chairman, Mr. W. B. Horris, QC LTS In 1978 Rowton heat the previous record of 1977— by year. Turnover increased from £3,954,840 to £4,639,325 controlled £1,160,738 (1977 £945,886). Total and recommended 6,9353294p per share (1977—6,3174064p).

LS Occupancy was slightly down, as was expected following c year, but the letting revenue of our Hotels (London Park, t Pleaset and The Grand in London; The Mill in Sudbury, the beauty)

k) showed an overall improvement FLS All our London Hostels had a successful year. At lew in Birmingham, it seems unlikely that occupancy will we until there as a return of industrial and business activity

PECTS With a strong financial base and competitive prices, ed with the good team work of an enthusiastic staff, we look and to the future with reasoned optimism.

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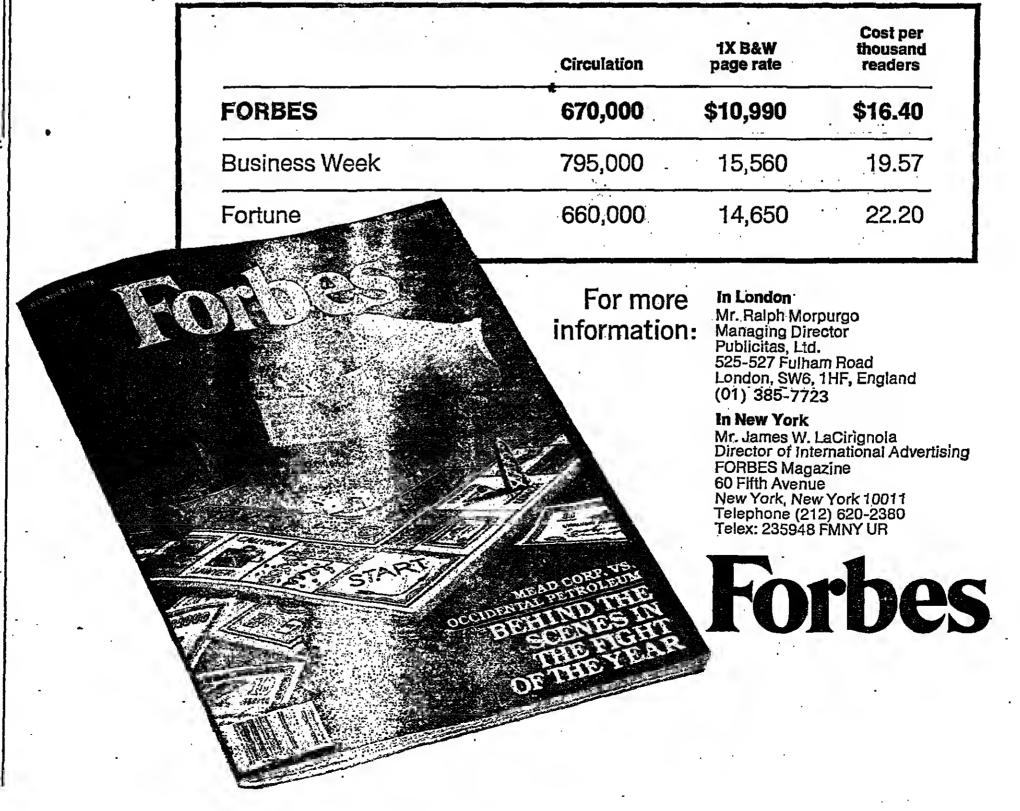
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Source: Erdos and Morgan, Inc., October, 1978

fluences t

Furthermore, FORBES costs less per advertising page and is the most cost efficient of the major U.S. business magazines.



# Group Secretary

for a well-known publicly quoted group engaged in the manufacture, distribution and retailing of footwear and in engineering. The undertaking has extensive overseas interests and an enviable record of profitable growth. Location - a pleasant area in the East Midlands.

- THE ROLE embraces all aspects of the corporate Secretarial and Legal functions including: patent and property management; insurance; personnel management and pension schemes administration.
- THE REQUIREMENTS are a legal or accountancy qualification and/or Secretarial experience at senior management level in a substantial manufacturing company.
- TERMS, which include an annual bonus and car, are for discussion with around £15,000 as the salary indicator. It could be more for exceptional relevant experience and achievement. Preferred age: mid-thirties to mid-forties.

Write in complete confidence to Sir Peter Youens as adviser to the group.

#### TYZACK & PARTNERS LTD

10 HALLAM STREET and LONDON WIN 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

#### PUBLIC NOTICES

#### **Government Contracts**

Announcement by the Review Board

The independent Review Board for Government Contracts is now embarking on the third comprehensive General Review of the profit formula used for non-compelitive Government contracts, in accordance with the agreement between the Government and the Confederation

The Board will take into consideration any written representations which are made to it before 31st October, 1979.

(Secretaries to the Review Board for Government Contracts), 8 St. Bride Street, London, EC4A4DA Tel: 01-353 3020

#### **COMPANY NOTICES**

NOTICE IS HEREBY GIVEN that the purchase fund, relative to Interedec Bermuda 9% notes due 1982, did not operate for the year ending June 1, 1979

Purchase Agent: ARAB FINANCE CORPORATION SAL.

#### **BANQUE EXTERIEURE** D'ALGERIE

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NOTICE TO SHOPERS AND CONSIGNES

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Combit Line as Services AB Combit Line as Services AB Ltd.

Lykes Brog 5 S. Co. the.

Scaland Service Inc.

U.K.; U.S.A. GULF WESTEOUND RATE AGGEEMENT Cunard Building Liverador L3 105 England

June 1979

NOTICE OF OURCNASE OLIVETTI INTERNATIONAL S.A. NOTICE IS NEREBY GIVEN to Note-holoers of the above loan tost during the welve-month decide Geganing on 1st June 1018 and ending on 31st May 1919 U.S.,2.160,000 nominal amount was ourchased in the open market.
U.3.52.900.000 of the Notes remains outstanding UNION BANK OF SWITZERLAND

THE ORITISM STEAM SPECIALTIES NOTICE IS HEREBY GIVEN that the Ordinary Share Transler Basks will be closed from 14th July 1873 to 26th July 1973, both pates inclusive.

OY Order of the Edard
R. O. THOMPSON, Secretary.

TRAVEL

GENEVA, Basic Zurich and Berne, widest range of cheap fights from 4 UK authors orochuse CPT Ltd. 01-36t 2191, Telen 019078. AVOL 3690. JET TO NICE. Corfu. Alberts Rome. Milan, Munkch, Rhodes, Crete and many Other Gestinaters. CPT, 351 2191. ATOL 3666 & ASTA.

#### LCCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public.

For advertising details please ring Stephen Cooper

01-248 8000 Extn. 7008

#### **LEGAL NOTICES**

IN THE MATTER OF SHIRECENTRE LIMITED ANO IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVER that the creditors of the above-named Company, which is being voluntently wound up, ore required, on or before the 8th day of August, 1979, to, send in their fulf Christian and surnamed, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitora (if any), to the undersigned KEITH OAVIO GOOOMAN, FCA. 3/4 Beninck Street, London WIA 384.

JA Bentinck Street.

Lendon WIA 38A.

The Equidator, of the seld Company, and, if so required by nouce in writing from the seld Equidator, sie come in ond prove their Solicitors, so come in ond prove their debts or clama sit such time and place as shall be specified in such milice, or in default thereof they will be excluded from the banefit of any distribution made bafore such debts. and proved.

Oated this 21st day of June. 1979.

K. O. GOODMAN.

Liquidator.

This notice is purely formel. All known creditors have been, or will be, paid in full.

No. 001462 of 1979

In the HIGH COURT OF JUSTICE Chancery Division. In the Matter of NEWNHAM HOLDINGS (950000)

LIMITED and in the Manter of THE COMPANIES ACT, 1948.

NOTICE IS HEREBY GIVEN that a Petition was on the 30th May 1979 presented to Har Majesty's Hair Court of Justice for the Confirmation of the Reduction of the Capital of the abovenamed Company from \$100,001 in 1650,000 by returning Countel which is in excess of the wants of the said Company AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be least to honourable Mr. Justice Stada or the Royal Courts of Justice, Stand. London W.G.2, on Manday the 9th day of July 1979.

And Creditor of Shareholder of the said Company desiring to opnose the making of an Order for the confirmation of the said reduction of Capital should appeat at the lime of hearing in getson or by Chursel for that contrains of the soid reduction of Cegital should oppeat at the time of hearing in gotson or by Chuncel for that nurpose. A copy of the said Petition will be timished to any such person requiring the same by the undermeasured Solicitors on payment of the regulated charge for the same.

Rated the Twenty-sixth day of June 1972.

9100LE & CO., 1. Gresham Street, London ECZV 79U, London Agents lor: SHARMAN & TRETHEV/Y, 1. Harour Street, Badlord.

MONTON & PISON CHAIRES ACT. 1948.

NOTICE IS HEREBY GIVEN that a
Polition was on the 30th May 1979
presented to Her Mojesty's High Court
of Justice for the Confirmation of the
Reduction of the Capital of the above. named Company from \$215.000 to \$150.000 by returning Capital which is in excess of the wants of the said Company.

ANO NOTICE IS FURTHER GIVEN that

PIPELINES ACT 1962

PIPELINES ACT 1962

Cheshire. Oczelogmen: Corporation.

PIPE-LINES ACT, 1862

29th June 1979.

METROPOLIYAN BOROUGH OF SEFTON VARIABLE RATE REDEEMABLE
The Council of the Metropolitan Borough of Sefton announces that the half yearly payment all interest due on 29th December 1979 in the above Stock will be at the rate of ol \$7.1553 liess income tax) per \$100 stock.

OONCASTER METROPOLITAN BOROUGN
Cd.650.000 Eills were issued on 28th
June. 1979, at 13°1. Applications
tolalied 247 500.000. These are the only
aris outstanding

CITY OF PORTSMOUTN
C1.100,000 8-iib saue date 29.6.79,
majurino 20 979 21 1117 Applications totalice £5.300.000 and there are
£1.100.000 8-iib outstanding.

Punern Chanel Street.
Runcorn. Cheshire.
Runcorn. Cheshire.
Vale Reval Olstrict Council.
Council Offices.
Orer Nail.
Winsford. Cheshire.
Winsford. Cheshire.

ANO NOTICE IS FURTHER GIVEN that the said Petition is directed to be hoatd believe the Honourable Mr. Justice Slade at the Royal Courts of Justice. Strand, London W.C.2, oh Monday the 9th day of July 1979.

Any Creditor or Shareholder of the said Compeny doeiring to oppose the making of an Ordor for the confirmation of the aaid reduction of Capital should appear at the time of hearing in person or by Coursel for that purpose.

A copy of the said Petition will be lumished to any ouch person required the same by the undermanifoned Solicitors on payment of the tagulated charge for the same.

Osled the Twonty-eixth day of June 1979.

9100LE & CO., 1. Greshem Strect, London EC2V 78U.

IN THE MATTER OF BALDWIN ELECTRICAL CONTRACTORS LIMITED ANO IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound uo, era required, on or before the 31st day of July, 1979, to send in their full Christian and aurnames, their addresses and descriptions, full particulate of their dobts or claims, and the names and addresses of their Solicitots (if any), to the undersigned pHILIP MONJACK, FCA, 3'4 Eeninck Strest, London WIA 38A.

3/4 Bentinck Street,
London WIA 38A.

the Liquidator of the said Company,
and, if so required by notice in writing
from the said Liquidator, are, parsonally
or by their Solicilors, to come in and
orove their Solicilors, to come in and
orove their debts or claims at such
time and place as shell be specified in
such notice, or in datault thereof they
will be excluded from the benefit of
any distribution made before such
dehts are groved.

Oared this 19th day of June 1379.
PHILIP MONJACK,
Liquidator.

THE COMPANIES ACT 1948 TO 1967 JOHN MILLER (CLOTHING) LIMITED NOTICE IS HERESY GIVEN, pursuant

PIPELINES ACT 1962

NOTICE OF AN AODLICATION FOR PIGELINE DIVERSIONAL AUTHORISATION Immenal Chemical Industries Limited racting chrough its Mond Division) hereby gives notice in acceptance with the property of the property of the grant of the property of the grant of a section of the Ruccorn to Sutton Warer Ethylene Olseline for Ine diversion of a section of the Ruccorn to Sutton Warer Ethylene Olseline from LC.1. Castner Kellner Works ac Runcorn to Sutton Warer Ethylene Olseline from LC.1. Castner Kellner Works ac Runcorn to Citton, acar Runcorn. The route will run from the MSS motorway rladuit at Clifton in a westerly directies assisting to the north of Clifton and Rocksarsga Works and enter Castner Kellner with a Clifton in a westerly directies assing to the north of Clifton and Rocksarsga Works and enter Castner Kellner with a contract of the north of Clifton and Rocksarsga Works and enter Castner Kellner with a service of the north of Clifton and Rocksarsga Works and enter Castner Wellner with the service of the diversion. The oigeline will be evened by Imperial Chemical ladustries Limited A coop of the mag which accembanded the application, on which the sroposed route of the oigeline is delineated, can be considered with a coop of the contract of the c NOTICE IS HERESY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Magering of the Creditors of the about the Arman Company will be held at the offices of LEONARO CURTIS & CO... 3.4 Sentinck Street.

London WIA 38A,
on Fridau, the 6th day of July 1979, at 12 o'clork middey, for the pursuant mentioned in sections 194 and 286 of the said Act.

Osted this 20th day of June 1979.
By Order of the Soard,
ALAN GOLDING, Girector.

#### **ART GALLERIES**

Winstord. Cheshlre.

Objections to the apolication should be made in writing, setting out the grounds of the control of the control of the control of the secretary of State for Energy at Thames House South, Millbank London SWIO 40J, to arrive not later than Tuesday, 31st July, 1979.

Imperial Chemical Industries Limited, Mond Dievion, PO 60v 13.

The Neath, Ryncorn Cheshire, WA7 40r. AGNEW GALLERY. 43 Old Bond St., W.1. 01-029 6176. Exhibition of OLO MASTER PAINTINGS. Until 27 July. Mon.-Frl. 9.30-5.30. Thurs. until 7.00. ANTONY d'OFFAY. 9. Dering Street. New Bond Street. OAVIO JONES, Man.-Fo. 10-6. 01-629 1576. erod Gallery, 24, Sr. James's, St. 2 W.1 01-83° 3671. Paintings by JAN 8 RUEGHEL THE ELOER, until 20th July. Weekdays 10-6. Sat. 10-1. CAMPSELL & FRANKS (Fine Aris) LTO.
17 New Cavendish St. W 1.
1456, SIR WILLIAM RUSSELL-FLINT
and NEXCLIES GRABAZON BRASAZON
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BRASAZON PIPE-LINES ACT, 1052

NOTICE OF AN APPLICATION FOR A PIPE LINE OLVERSION AUTHORISATION MOTICE IS HEREY GIVEN that several motion of the distribution of a section of the UKOP Thames description of the distribution of a section of the UKOP Thames description of the distribution of the d CRANE KALMAN GALLERY. 178, Bromoton Rd., S.W.S. GO1-S84 7565 MODERN BRITISH. EUROPOAN AND AMERICAN GAINTINGS AND SCULP-TURE. Mon.-fr. 10-0. Sat. 164-FIELDBOURNE GALLERIES, 63, Oucent Grove, N.W.B. 556 5600, ROONEY BURN, R.A. Eighteith Burthday Embla-tion, Lr. GALLERY, Contemporary Artists of the Emplish School. supply in the London money market yesterday, and the authorities gave assistance by FINE ART SOCIETY, 145. New Bond St., W.1. 01-529 5115. THE RE-DISCOVERY OF GREECE. NAMILTONS, 13. Carins - Place, Nr. Grosvenor Square, W.1. 499 9491-4. Important exhibition of the French late Impressionist, painter Marcel Vertes, tociuding oils, watercolours, drawings and lirhographa. Merthordshire kontart Mr. R. 1. McCaskriet, at. 3 at. the offices of the following local authorities.

Hertlordshire County Council.
Ceursy Secretary's Department, R 203. County Hall. Hertlord.
Browbourne Borough Council.
Chel Executive's Office.
Manor House. Turners Nill. Cheshont.
Gentsourne Borough Council.
Council Office.
High Street. Hoddesdon.
Objections to this application abould be made in writing, setting out the grounds for objection and bearing the reference pet 15:734.21, and abould be sent to the Secretary of State for Energy at the Secretary of State for Energy 17mames Notice South, Milbaak, London SWIO COL, to arrive not later than 29th July 1979 DIPELINE AGENCY LTD.
J. E. KINGSLEY, Secretary.
Lydd Aktander Nouse,
Waterhouse Street.
Hemel Hempstead
Herts. NPT 1EJ.
29th June 1979.

METROPOLIYAN BOROUGH OF SEFTON LEFEVRE GALLERY, CONTEMPORARY GAINTINGS. Weekdays 10-5, Sat. 19-1. At 30, Brutan Street, London, W.1. Tel. 01-495 1572. moderate amount lept to five or finance.

11 per cent.
six houses at MLR, for repsy.
On the other hand banks Rates in the table house today. Total assistance was hrought forward balances a small nominal in some cases. MALL GALLERIES, The Mall, S.W.1. Paintines and Ministures of Flowers, Animals and Toudstools of Suzaone Lucis, VPRMS, FRNS, SWA, UA. Mea.-Frl. 10-5. Sats. 10-1. Until Jaly 14th. Adm. Free, LONDON MONEY RATES MALL GALLERIES. The Mall, S.W.T. Society of Wildlife Artists 15th Enhibition, Mon.-Fri. 10-5. Sats. 10-1. Until July 4. Adm. 20p. 

MARLBOROUGN. 6. Albemarie St., W.t. EGON SCHIELE. Exhibition of water-colours and drawings until 31 August. Mon. Fri. 10-5-30. 6at. 10-12.50. REDFERN GALLERY. JEFFREY SMART. NEW OAINTINGS. June 7th-July 4th, 20 Cork Street. London. W.1. Mon.-Fri. 10-5.30. Sat. 10-12.30. SANOFORO GALLERY, Covent Garden, 1, Mercer Bireck, W.C.2, 10th Long Acres, 01-379 6905, Mon.-Sat. 11-6, 5UMMER SHOW of Paletings & Sculpture, Including Sandra Blow, R.A., John Pelling, Alan Dver, Ted Ackinson and Carls Dunseath.

Dunscath.

SUMMER EXNIBITION of Paintings by Elizabeth Blackadder, Charles Bartlett, Julia Phelos. Edward Ploer and Ruskin Spear until 12 July at Bohun Gallery. Station Road. Hettley, Oaon. 04912 6228 STATION ROSE. REGIETY, GOOD. DAS 12 6228
SKIPWITN GALLERY. 5 Carchment St.
Winchester. Tel. 2011. MARINE EXNI81TION. Works by Lesdang Artists.
EABIN GALLERIES. 4. Cork Street. W.1.
01.734 5185. EXNIBITION OF ENGLISH
PAINTINGS 1611-1839. MONDAY-Friday
9.30-5.30-

#### CURRENCIES, MONEY and GOLD Companies

with SwFr 1.6570 previously.

FRANKFURT - The Bundes

bank bought 20m when the dollar was fixed at DM1.8462 against the

D-mark, compared with DM1.8476 previously. The U.S. currency

fell to a low of DM1.8318, but improved slightly on beary inter-

renewed weakness of the franc, Il fell to BFr 16.0650 from

BFr 16.0435 against the D-mark,

franc fell to BFr 29.6475 from:

TOKYO—The dollar fluctuated sharply in nervous trading, but showed little change at the close

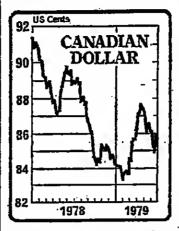
BFr 29.6450.

compared with a lowest permitted level of BFr 16.0740. In terms of the dollar, the Belgian

Sterling rose to its best level and in early trading. The dollar's against the dollar for nearly four index was unchanged at \$5.0, tears yesterday, as the U.S. unit Heavy intervention by the lears yesterday, as the U.S. unit leavy intervention by the lost ground against major currencles following the result of the Organisation of Petroleum Exporting Countries meetiog in a Geoeva, and the latest U.S. trade dollar, at SwFr 1.6550, compared with SwFr 1.6550, prepoliciely with SwFr 1.6550 prepoliciely

These figures came as little surprise to the market, but were still regarded as poor, while the OPEC agreement also depressed the dollar.

The Bank of England may have intervened to a small way to support the dollar, but the



heavy intervention came from the German Bundesbank and the Swiss Netional Bank. The pound opened at \$2.1700 and rose to \$2.1770-2.1780 in early trading. before declining to showed little change at the close \$2.1595-2.1605 after lunch. It closed at \$2.1685-2.1695 a rise of 1.30 cents on the day, and the bighest closing level since July, 1975.

1.30 cents on the day, and the bighest closing level since July, 1975.

Sterling's trade-weighted index, as calculated by the Bank of Eogland finished at its highest point since March 1976 at 69.4, compared with 69.0 previously, after standing at 69.3 at poon influence on trading.

day.

fell to Y214.90, hefore touching a log point of Y216.50 in year.

A high point of Y216.50 i EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	amounts against FCU June 28	from central rate	% change edjusted for divergence	Divergence limit %
Belgian Franc	39,4582	40.3124	+2.67	+1.76	±1.53
Osnish Krone	7.08592	7.24927	+2.31	+1.39	±1.635
German O-Mark	2.51064	2.52235	+0.47	-0.45	<u>+</u> 1.1325
French Franc	5.79831	5.83385	+0.61	-0.30	<b>±</b> 1.35
	2.72077	2.77074	+1.84	+0.92	<b>-1.5075</b>
Outch Guildar Irish Punt	0,662638	0.668415	+0.87	0.04	±1.665
Italian Lira	1148.16	1137.40	-0.94	-0.54	±4.0725
Changes	are fot E	CU, therefore	positive cl	lange denotes	2

#### THE POUND SPOT AND FORWARD

June 28	Day's spread	Close	One month	p.2.	Three months	p.a
ūs.	2.1595-2.1780	2.1685.2.1695	0,72-0,62c pm	3.70	7.52-1.82 pm	3.4
Caneda	2,5170-2.5380	2.5285-2.6295	0.95-0.85c pm		2.05-1.95 pm	
Nothind.	4.371-4.4112	4.391,-4.401	2'4-1'4C pm		634-914 PM	5.6
Belgrum	64.05-64.45	64.30-64.40	30-20c pm	4.66	70-60 pm	4.0
	11.51-11.55	11.531-17.541		831	1-2-7 pm	0.3
Denmark	1.0575-1.0600	1.0565-1.0595	25-35p dis	-3.40	22-92 dis .	-3.2
Ireland	3.981-4.02	3.993 4.003	31-23-pt pm		814-74 pm	7.7
W. Got.	105,60-106,40	105,70-108,00	30-80c dis		100-200 dir	-5.5
Portugal	143.10-143.70	143.25-143.35	50e pm-par		75-25 pm	1.4
Spain	143.10-143.70	1,806-1,807	1- Jira pm-12 die		1 pm-1 dis	52
Ituly	1,902-1,807	11.07.11.08	5-3-ore pm		1514-1314 pm	6 15
Norway	11.051-11.10	0 0CT 0 761	The state of the s		8-7 pm	3.2
Frence	9,231-9,2812	9.254-9.264	31-21-c pm			
Sweden	9.24 - 9.28 -	9.27 - 9.28	2 1-1010 pm	24	.81-61 bw	3.1
Japan	4 <del>56-472</del>	469% 470%	3,80-3,50y pm	9.32	9.70-9.40 pm	
Austria	29.27-29.42	29,35-29,40	22-12gro pm		53-43 pm	_6.5
Switz.	3.58-3.62	3.58 - 3.59	44-35c pm	12.85	12-11 pm	12.8

. . . . . .

#### THE DOLLAR SPOT AND FORWARD

Improved sugard, on start, and						
vection outside the fixing by the German authorities, and hy a	June 28	Cay's spread	Close	One month	7. Taree	% p.a
sharply lower West Germao trade surplus. The rise in the OPEC	UK† Ireland†	2.1595-2.1780 2.0420-2.0485	2.0425-2.0475	0.72.0.62c pm 1.50-1.20c pm	7.92 3.60-3.30 pm	3.4 6.7
cribertal and was seen as Soon	Canadat Nathind. Selgium	85.70-85.90 2 0250-2.0325 29.55-29.65	85.80-85.85 2.0300-2.0320 29.62.29.64	0.02c pm-par 0.50-0,40c pm 2'-1c pm	0.14 0.11-0.08 pm 2.66 1,22-1.12 pm 0.71 5-2 pm	0.4 2.3 1.4
for the dollar in the short-terin.  BRUSSELS—The Belgian france	Qenmatk W. Ger.	5.3080-5.3200 1.8420-1.8450	5.3180-5,3195 1.8430-1.8440	1.40-1,90ore dis 5.76-0.66pf pm	-3.85 4.50-5.00dis - 4.62 2.00-1.90 pm	-3.5 4.2
lost ground against other major currencies, falling close to its	Spain ftaly	48,80-49.20 66,00-66,16 831,25-833,25	49.00-49.10 66.05-66:10 832.80-833.20	35-45¢ dis 7-17c dis 2.50-3.50lire dis	-2.18 30-40 dis -	-6.9 -2.1 -3.6
floor against the D-mark within the terms of the European Mone	Norway Franco	5.1040-5.1220 4.2600-4.2735 4.2650-4.2770	5.1050-6.1060 4.2675-4.2725 4.2755-4.2765	0.35-0.16ors pm par-0.10c dis 0.05-0.15ors dis	-0.14 0.16-0.36dis -	1.£ -0.2. -0.1
lary System. The Belgian. National Bank sold DM30m to	Japan Austria	216,25-218.70 13,52-13,56	216.40-216.60	1.05-0.90y pm 4.25-3,50gro pm	5.40 Z.65-2.50 pm 3 43 12.50-10.50pm	4.7
DM40m to prop up the Belgion curreocy, although there seemed	Switz.	1.6550-1.6800 land and Can	ads - are- quete	1.37-1.32c pm d in U.S. curre	ncy, Forward premi	
to he no reason for the sudden	and disc	counts opply t	the. U.S. do	Hiar end not to	the Individual curre	we?

Part   Prawing Currency   June 28   England   Guarant   Folk   Folk	CORP	(FIA	ST MA	153	CONNENCT	MOAF	MEN I
1.56522		rate	Drawing'	Currency	June 26	England	Morger Guarant changes
	L Ssatian Sstria Schstria Schsiglen Fnish Knarkilderanch Fr	913 1114 354 98 47 98 47 98 104 47 86	1,29219 1,50669 1,50669 2,5102 6,86088 2,38564 2,68185 1073.75 978,725 6,61020 85,3349 6,51184	1.56624 1.59427 18.5331 40.5124 7.24927 2.58235 2.77074 5.83385 1137.40 295.955 6.97124 90.8187 6.83585	U.S. dollar Ganedian dollar Austrian schilling. Beigian franc Denish kroner Denish kroner Denish kroner Oulider Oulider Franch franc Lifa Yen Based on trade will Washington spreen	85.0 e1.0 147.1 113.9 113.7 151.5 158.1 123.6 99.4 132.6	mber, 13:

• •	June 28	E	8		Note Pates
	Argentina Poso	2828-2846 1.8510-1.9350		Austria	283, 293, 55.20-57.20
	Australie Oofler Srazil Cruzeiro Finland Markka	54.82-55.82	25.28-26,74	Denmerk	9,17.9.87
	Greek Deschma.	78.355-80.000	36.15-36.90	Germany	3.99-4.021 <sub>5</sub> 1,785-1,806
	fran Rial	0.594-0.604	0.9764-0.2767	Notherlands	453.473 4.34.4.44
	Luxembourg Frc. Malaysia Dollar	4.7010-4.7180	9.1670-9.1890	Portugal	10.95-11.05 102-106 140-144
•	New Zenland Dir. Saudi Arab. Riyai	7 98.7 38	3.3795.3.3815	Spain Switzerland:	3.50-3.60 2.161 <sub>2</sub> -2.161
	Singapore Dollar. Sth. African Rand	1.83 1.84	0.8440-0.8485	Yugoslevia	3912 4912

#### **EURO-CURRENCY INTEREST RATES**

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.45-10.35 per cent; three months 10.45-10.35 per cent; one year 9.90-10.00 per cent.

June 28	Sterling	U.S. Cellar	Canedian Dollar	Dutch Guilder		West German Mark	Franch Franc	Italian Lira	: Aslein 3	Jepanese Y
†Short term	14 14 - 14 34 14 14 - 14 54 14 14 - 14 12 14 14 - 14 14 13 13 - 14 18 13 12 - 14	10 35 - 10 58 10 12 - 10 54 10 72 - 10 76 10 72 - 10 76 10 12 - 10 54 10 12 - 10 58	972-1012 912-1012 1013-1018 1012-1118 1012-1118 1014-1058	914-914 913-854 913-854 913-954 913-913	19.55 56.54 141.3 9.216 842.	5 - 3 - 4 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5	815-9 817-9 1012-1076 105g-11 11-115g 11-115g	25 36 20-28 13 ½, 14 ½ 14-15 14 ½, -15 ½ 15-16	10 % 10 % 9 % 10 10 % 10 % 10 % 10 % 10 % 10 %	3 tg 4; 4 : 6; 5 5; 6 tg 6 tg 6 tg 6 tg 6 tg

Long-term Eurodeller: two years 10-10% per cent; three years 9<sup>13</sup>11-10<sup>1</sup>11 pet cent; lour years 9<sup>13</sup>11-10<sup>1</sup>11 pet cent; five years 9<sup>13</sup>11 per cent nominal closic 12. Short-term rates are call for statling. U.S. dollers and Canadian dollers; two day call for guilders and Swise francs. Asian rates are closing rate Singapore.

#### **EXCHANGE CROSS RATES**

June 28	PoundSterling	u.s. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc'	Swiss Franc	Dutch Gulld'r	Italian Lira	Canada Dolla	Beiglan Fre
Pound Sterling	1.	8.169	4.003	469.8	9.953	3.590	4.398	1907.	2,529	64.35
U.S. Dollar		1.	1.846	216.6	4.270	1.855	8.027	832.9	1.165	: 29.67
Deutschemark	0.250	0.542	1.	117.4	9.314	0.897	1.099	451.3	0.532	16.09
Japanese Yen 1,000	8.129	4.617	8.520	1000.	19.72	7.642	9.381	3846.	5.384	187.0
French Franc 10	1.080	9.348	4.381	507.9	10.	3.875	4.748	1950.	2.730	59,47
Swigs Franc		0.604	1.116	130.8	2.580	. 1.	1.285	603.2	0.704	17.99
Dutch Gulider	0.227	0.493	0.910	106.9	9.106	0.91 <del>6</del>	2.434	410.8	. 0.976	14.63
Itelian Lira 1,001	0.554	1.201	9.216	960.0	5.197	1.987		1000.	1.400	\$6.88
Canadian Dolter -	0.395	0.858	1.583	185.7	3.663	1.420	1.739	714.3	1.	26.44
Belgian France 100		3.371	6,280	730.0	14,39	· 8.579	6.834	2807	3.930	100.

take up of Treasury hills to belances taken in the region of

#### INTERNATIONAL MONEY MARKET

# European rates firmer

The general move towards bigher interest rates in Europe contioued yesterday, partly reflecting concern felt over strains within the EMS, and the instability of the dollar. In Paris, call money rose to 8½ per cent money stood at 7.20-7.40 per cent cent compared with 7½-8½ per cent from 8½ per cent, an overall increase of half a point in only 10 days. Longer term rates although speculation in the remained firm, with one-month money at 8½-8½ per cent although speculation in the remained firm, with one-month market had lent towards some cont. The six-mooth money at 9½-9½ per cent and three-mooth money at 9½-9½ per cent with one-month in figures.

In the interhank market call money rose to 7½-7½ per cent money at 8½-8½ per cent against 7.25-7.35 per cent cent. The three-month rate was unchanged at 8½-8½ per cent although speculation in the remained firm, with one-month market had lent towards some credit tightening measures after the Belgian franc (commercial) showed little change yesterday, with one-month deposits at 9½-9½ per cent against 9½-9½ per cent from money rose to 7½-7½ per cent money also firmer at 8.8½ per cent compared with 7½-8½ per cent wille six-month money at 8½-9½ per cent against 9½-9½ per cent against 9½-9½ per cent specific per cent against 9½-9½ per

at 3.555.76 per cept on Wednesday. 71 per cent, having been cut and ooe-month rising to \$.855.98 twice in tha previous week. The per cept from 5.70-5.75 per cent level now stands back at its previously. The three-month pre-June 21 level.

UK MONEY MARKET

Bank of Eogland Minimum

Lending Rate 14 per cent

(sluce June 12, 1979) Day-to-day credit was in short

This was in addition to a

Sterling Cortificate of deposit

Very large assistance

Local Auth.

Finance House

three-mooth money at 9-91 per cent. The six-mooth rate was quoted at 91-91 per cent with 12-mooth money at 92-91 per cent with 12-mooth money at 92-92 per cent against 92-92 per cent understand the 12-mooth mone mooth deposits at 92-92 per cent with 12-mooth money at 92-92 per cent against 92-92 per cent understand the 12-mooth money at 92-92 per cent against 92-92 per cent understand the 12-mooth money at 92-92 per cent against 92-92 per cent understand the 12-mooth money at 92-92 per cent against 92-92 per cent understand the 12-mooth money at 92-92 per cent with 12-mooth money at 92-92 per cent against 92-92 per cent understand the 12-mooth money at 92-92 per cent against 92-92 per cent understand the 12-mooth money at 92-92 per cent against 92-92 per cent understand the 12-mooth money at 92-92 per cent against 92-92 per cent understand the 12-mooth money at 92-92 per cent against 92-92 per cent understand the 12-mooth money at 92-92 per cent against 92-92 per c the money market wera easy yes-terday with call money at 101 per cept and overnight business dealt at 8 per cent.

Rates in the table below are

noon, compared with FFr 40,7; (\$297.201 in the morning, ar, FET 40,950 (\$297.23) Wednesd: afternoon.

In Frankfurt the 121 kilo haves fixed at DM16.835 per kilos280.37 per ounce) comparativith DM16.715 (\$281.14) prev

Sharp

Gold fell \$41 to close at \$27 \$277? after a bectle day, opeoed at \$2811-2821, and wa fixed at \$281.30 in the morning

and \$275.90 in the afternoop. Th

aftermon fixing was very lon and as selling pressure increase the metal fell to a low point i

S275-2751.

ID Paris the 121 kilo gold by was fixed at FFr 40,500 per kilo (\$295.00 per ounce) in the after 40.7:

_			mue sa	June 8:
e assistance		Gold Bull	on (Tine o	unest
ankiziezk a	<b>b</b>	C1036	1-01(-3)	5281 \cdot 282, (#150.6-150.9
c applytuite	, i	Opening\$28	112-28214	\$280 ta 28 t £150.2 150 t
termed as very large. Discount	way above target and there was	Morning \$98 flxing £12	1.30	\$981.00 £130.419
	a small decrease in the note cir-	Afternoon \$27	5.90	\$281,80
cept for secured call loans at		fixing £(12	17.3191	(135.633)
	In the interbank market over-	Gold Coin	s, domest	lically
taken anywhere between 11 per		Krugerrand, IS88	4-2854	<b>5289-29</b> 1
cent and 13% per cent.	cent and rose to 141-142 per cent	)£13		(E134-136)
The market was faced with the	before coming back to 14-14! per	New S71		5731p-75tg (£34-35)
		30YEM 101781233	-2***	(12-04-42)

ew \$711-.751<sub>2</sub> Sovereigns(£33-34) Id 9871<sub>2</sub>.891<sub>2</sub> Sovereigns:£401<sub>4</sub>.411<sub>4</sub>) huying a moderate amount of unwinding of a previous sale and cept, ground lunchtime. At one old tressury hills and a small pumber of local authority bills, all direct from the discount houses. hills as well as a very small not hack to 7-8 per cept, with closing Krog

#### MONEY RATES

٠,	70.19	or debosit		achonic	Donos	Dapones	Poboeta	deposit	Bills +	Bills &	Bille 🕈	NEW YORK
	Overnight	14.3-15;6 14-13;6 14-13;6 13:3-13.3 13:5-18;6 12:5-12;6	7-143g 	1263-13	141:-1414 141:-1414 141:-1313 14-1313 13-1254 131:-1254 13-1254	1438 1438 1448 1414 1331 1312	141 <sub>2</sub> 143 <sub>6</sub> 143 <sub>8</sub>	11·14 — 137 <sub>8</sub> ·14 137 <sub>8</sub> 13· <sub>4</sub> ·137 <sub>8</sub> 13· <sub>5</sub> ·13· <sub>4</sub>	131, 131, 137, 133, 132, 132,	14 1378 137:135: 127:125:	145g 145g 14	Prime Rate 11.5-11. Fed Funds 10.625 Traesury Sills (13-week) 3.83  GERMANY Olscount Rote 5.676 Overnight Rate 5.80 Three months 5.90 Three months 8.55
	13 <sup>23</sup> x-13½ per (	rily and fine thies years along rates and in a selling rates and in a large season and in a large season and a large season a large season a large season and a large season a large seaso	lor prime p als for one or cont. A trop-month t cent. ate (publish nell sums a	aper. Suyi e-month Tropproximate 3 <sup>25</sup> e-13 <sup>2</sup> te p and by the t action day	nencs, of years 13-1 ng rale fo easury bill selling rale er cont; on Financs Ho ya' notice 1	four-month  13 5-64ths  lot one-m  10-month tra  13-564ths  10-month tra  11-12 por	is how years bonk but 1-13% oer conthibant ide bills 1 iation) 12 cani. Cia	eont; two	oer canr. por cant; o-montha <sup>13</sup> 22-1375 of	9 Sank four-mon 134-1352 or cent; tooth 144	mortgage bill rates that trade per cent; wo-month per cent; Clearing g 14 per	Six monthe   8.35

( صلدامند للصل

# and Markets

(Manufacturers of Carbon, Fireclay and

Heat insulating Refractories)

Annual General Meeting was held on 28th June in i. Mr. W. T. Hale, B.Sc. (the Chairman) presiding lowing are extracts from his circulated statement. expected 1978 proved to be a bed year for United n retractory companies in general.

is, therefore, a pleasure for me to be able to report ar company achieved another record profit—the right profit in succession. From a turnover of £16,368,354 1,783 in 1977) pre-tax profit has increased by nine it to £1,157,104 (£1,059,338 in 1977).

fits after extraordinary items and tax (in accordance iAP 15 recommendations) were £862,761 (£855,292 in od the Board recommends that a final dividend of per share he paid on the 1st July.

blox Limited—The large orders referred to in 1977 impleted in 1978 and the results were satisfactory. price competition now exists and currently orders

cland Marshall Limited-1978 was a difficult year only elleved by an extension of sales into Europe and the

tand Alloys & Minerals Limited—This company is making any appreciable contribution to Group profits. shall Refractories Limited—After a very poor first tonths, there was a good recovery and the year ended erage profits. Our exclusive licence for a ladle slide evice has performed well at the foundries where it n introduced end considerable marketing expense and home and above the profit of the considerable marketing expense and home and ebroad have been approved to realise its

er Products Limited-The year hegan with a strong ook and resulted in record profits. 1979 is less hnoyant is not reach last year's level of turnovor end profit, r, we are confident that with energy saving being oriant and with signs of an increase in world-wide ent in capital plant, our wide range of products will

current year began badly due to the transport strike condary picketing, neither associated with our own ses. This was followed by eight weeks of serious tions to our supplies, production end despatches due re winter weather and I thank those who hraved the ns to report for duty. The task ahead is difficult. leavy fuel user we have to bear the unnecessarily larges for North Sea gas, which are ten per cent than to a domestic consumer. Continuing inflation strengthening pound also make us less able to fight impetition in overseas markets. The results for 1979 be as good as for previous years. Nevertheless, I that our technology and expertise will eneble up to a to develop and produce quality products that will oughout the world.



ORRS BRIDGE WORKS, LOXLEY, SHEFFIELD.

#### LOOKERS LIMITED

Motor Vehicle Distributors and Engineers

#### INTERIM REPORT

Directors aonounce the following unaudited results Group for the half-year onded 31st March 1979:

er	Half-year ended 31,3.79 £ 32,422,690	Half-year, ended 31.3.78 £ 27,692,008.
Profit before Taxation	803,905 377,835	853,420 139,107
Profit after Taxation	426,070 (2,979)	714,313 7,584
attributable to Shareholders	423,091	721,897
nd: :im of 1.4p per share (pro- d) (30.9.78 — 0.99825p per	103,793	74,008
ps per sbare	5.7p	9.6p
result of the Chancellor's Biggs the taxation charge including the withdrawal of 100% to wehlcles.	er 1245,000 d first year all	owance on
is the Director's intention to dec	lare an interi	m dividend

pence per sbare, an increase of 40% following the end

is results for the half year are considered most satisfac-earing in mind the difficulties experienced during the off strike and the severe weather conditions in February

ur car leasing operation has earned good profits and a continue to do well despite the recent changes in taxarealment introduced in the Budget. The pressures on the margins in our BE Cars franchises has intensified.

he Agricultural Division bas produced excellent results re have recently extended that Division's activities by ing Tipton and Morley Limited with branches at Barnerd Northelierton, Darlington and Leyburn.

the results for the mooths of April and May show a d improvement compared with the same period last year, e expect a satisfactory result for the full year. Chairman



SUMMARY OF RESULTS

	O Chicago			
the grants	Sa	1978 .	1977	1976
		£28,700,000	£22,100,000	£23,700,000
		£1,073,000	£671,00Q	£1,256,000
( before to			4.09p	3.71p
pary divider		5.000 UUU	£2,562,000	£2,708.000
ines per sh	awa#		5.27p	9.76p
of an issued	ordinary	share capita	l at 31st Dec	ember, 1978.
Chairman	Mr. Haro	id A. Whitso	n, C.B.E., E	.A. reports:
The restruction 70 January 19	turing of Decemb	the group wa or 1978 and	s approved a	fect on 1st

With the removal of dividend control, the market value of the Company might more truly reflect both its net assets and the return thereon.

Melville, Dundas & Whitson Ltd.
Successful in ohtaining a larger share of the work available, both in public and private sector.

James Y. Keanle Ltd.
The sale of souses has continued on a satisfactory level, apparently neg unduly affected by the mortgage situation.

M.D.W. Developments Ltd.

Both rentsi-income and profit on sale of properties are
making an increasingly important contribution to group

secretary.

NOW HOLDINGS LIMITED

#### INTERNATIONAL COMPANIES and FINANCE

# Mining investment: Australia's widening door

new mining investment has been virtually at a standstill. The two basic reasons have been the de-pression in base-metal prices and the lack of any guarantee of security for capital invested in mining ventures in the develop-ing countries. On the second Point, It should be appreciated that the lead time to production

that the lead time to production of a major mining operation can be anything up to eight years.

Despite a great deal of thought and talk on the subject, no solution has yet heen found to the prohlem of security of capital in developing countries. As far as the depression in basemetals is concerned, this has ended and during the past 12 ments or so their prices have made a good recovery. But now made a good recovery. But now the steam bas gone out of markets, as they wait to see where the next impetus in demand is

Many observers take the view thet in spite of the oil crisis and the danger signals that it is sending out to the world economy there could still be a strong demand for metals in the mid-1980s. In the absence of major additions to existing mineral production capacity, this demand could result in a runaway rise in metal prices until new mining capacity can he brought on stream.

There is thus a case for pursuing urgently new mining development in the politically stable areas. Of these, Australia is an ohvious target with its undountedly huge mineral potential, large reserves of nonoil energy sources such as coal and uranium and a ready export

Unfortunately, Australia also has an unenviable record of labour unrest which shows no signs of improving, and on the economic front there are rising interest rates and a declining currency. Furthermore, there are lingering memories of the country's previous administra-tion under the Labor Perty which produced policies that hardly encouraged overseas investment in mineral develop-

ment. Because of the latter, total annual British investment in Australia dropped to an average of A\$160m during the three years of Labor budgets there in this decade from a previous level in the 1960s of around A\$260m—or 40 per cent of the country's total private capital inflow. Has the investment climate changed since 1975?

Since it first entored office three-and-a-balf years ago, the Conservative Liheral and

ment has progressively relaxed its restrictions on foreign investment. Recently, amidst tentative signs of recovery after five years of economic recession, and increased overseas interest in local coal, uranlum and bauxite deposits, the doors have opened wider. Indeed, British investment has risen to over A\$360m a vear.

National Country Party govern-

Australia's desire to promote local participation in foreignowned onterprise remains unchanged, but there is a more flexible approach. A framework has been introduced which major exception of uranium, allows for the voluntary where an inflexible 75 per cent "naturalisation" of foreign- local rule was epplied.



at Port Dampier in Western

owned companies over a period

The Government began by requiring 51 per cent local equity; in any mining project, and with a policy of encouraging overseas-owned operators to sell off-at least part of their holdings to the Australian public. Two years later, with no sign of a major new project starting up, Government Ministers emphasised thet the rules would be provided there is at least 25 administered "flexibly" If no per cent local equity, it has local money was available, and f the project was in the national interest," it could

A case-hy-case approach beeffective local management and came effective policy, with the major exception of uranium,

Last July, after some bitter infighting between senior executives of local and foreign-owned mining concerns, the Government announced a liberalisation of the rules, and the principal beneficiary was Conzine Rictinto of Australie, whose majority shareholder is Rictinto-Zine of London. Underthis policy, a company is regarded as "Australianised" per cent local equity, it has entered into a formal agreement with the Government to raiso this progressively to 51, and there are a majority of Australians on its board, with

CRA, with 33 per cent local

other requirements, is now "Australianised." The principal advantage of this new corporate status is that it can enter into joint venture errangements with other companies, even if they do not have a majority local equity, providing they, too, bave fulfilled the same conditions.

The big minerals group mede a rights share issue earlier this year in which the London parent did not participete, with the result that public ownership of CRA has risen from 27.4 per cent to 31.8 per cent on the way to an eventual 51 per cent. Another move designed to

encourage Australian ownership of natural resources has just been announced by London's Selection Trust group. In essence this means putting the group's existing Australien interests into a new Australian company, Seltrust Holdings, which will become a vehicle for the UK group's future development in Anstralia.

The plans include en offer of shares to Australian investors end will have the effect of giving them some 21 per cent of the newcomer. Seltrust the newcomer. Holdings will have the right to participate in 75 per cent of the group's exploration activities in Australie and the subsequent mining developments. So further offers of equity to Australians can be expected in the future.

government liberalised its rerestrictions on foreign investequity, end having fulfilled the of the known cheap recoverable new mine production.

.Under the new policy, the three-quarters rule may be waived when the locat capital is not available, when the project is of "significant economic benefit to Australia," and if determining project policy.

The first beneficiary is Australia's Western Mining, which is partnered by Esso and Urangeseilschaft of Germany in the Yeelirrie uranium venture in Western Australia, It is now hoped that a similar approach will be edopted for the big Jabiluka urenium deposit in the Northern Territory which is 35 per cent owned by the U.S. Getty Oil with Australia's Pancontinental holding the remaining 65 per cent.

Outside opinion is not overwhelmiogly enthuslastic about Australia at the moment. certainly as far as portfollo investment is concerned. But the new realism towards the overseas mining compenies that is emerging—"a complete change of heart from five years ago"—is welcomed in London.

It mey well bring a new surge of overseas investment in Australian mineral development, perticularly from the cash-rich oil majors which are already active in the coal scene there.

But the catalyst needed for any major new investment drive Earlier this month, the may still he a resumption of the overnment liberalised its re- rise in metel price; whatever may he said about them having ment in Australien uranium, plenty of time to come right which accounts for shout a fifth during the iong lead period to

# Colin Knowleshis part in the volcanic events at Piccadilly.





One of David Hockney's set designs for The Magic Flute



"You call it sponsorship of the arts but I like to consider it a form of partnership with the arts."

Colin Knowles, Company Secretary and Head-of Public Affairs at Imperial Tobacco, spoke of the Pompeii exhibition which people enjoyed so much.

Not only did our funds make it possible to bring over these quite extraordinary treasures but we were heavily involved in the business side: planning. administration and promotion. And the fact that over 600,000 visitors saw it makes us particularly proud because it gave pleasure and was a going concern too.

"Another cultural event which we financed, and were proud to be linked with Cotin Knowles, Company Secretary and Head of Public Affairs. was the Glyndebourne production of

Mozart's Magic Flute, for which David Hockney did the designs. "We do indeed have a full programme of sponsoring the arts. It includes the Celebrity Concert seasons at Bristol featuring famous artists, orchestras, opera and ballet companies - I might mention Barenboim, Janet Baker, James Galway, and the Welsh National Opera Company among others. There is the Imperial Tobacco Cello Competition which we created with

Paul Tortelier, and the International Conductors Award. Close to our Bristol Head Office we are supporting British archaeology through a major project under the direction of Professor Barry Cunliffe in Roman Bath as well as sponsoring the Bath Festival. We also give support to Covent Garden Opera, and the London Festival Ballet, and to other foundations in the arts and sciences.

"If the arts in Britain are to be kept at their present high level, business support is going to be even more important. That's why we joined with other like minded companies to set up the Association for Business Sponsorship of the Arts - and we're doing some good work together.

"Does Imperial get a return on the expenditure? Well we do of course. We get goodwill. And we're delighted to earn the goodwill of the community this way. After all, commercial enterprises do have a role to play in today's society and at Imperial we happen to think sponsoring the arts is particularly worthwhile."

Colin Knowles is a highly motivated man, and one of the 23,000-strong team at Imperial Tobacco; a major employer, taxpayer and investor in Britain's future prosperity



Without the support of such sponsorship, the future of Glyn

# Imperial Tobacco: the way we work

Imperial Tobacco Limited - a member of Imperial Group Limited

HONG KONG'S TEXTILES AND GARMENT INDUSTRY

# Steaming away from the sweatshop image

BY RHYS DAVID, RECENTLY IN HONG KONG

AND LET YOUR MONEY MAKE MORE MONEY FOR A CHANGE

Get M&G's free booklet on Regular Investment and find out how to benefit from substantial tax relief and build a tax-free capital sum.

MR MRS. MISS			
SURI-JAME			-
ADDRESS		Member of the Life Offices' Asso	he ciatin
<u> </u>	POST CODE		N.

Kowloon is not what most people would expect of a Hong Koog garment operation. Like many other factories. it is housed in an undistinguished block issuing directly on to a congested side street crammed with delivery vehicles. Inside, however, the 1,400 workers on a dozen floors are working in airconditioned surroundings which would hardly discredit many European garmeot factories. Output flows between and along the floors according to systems devised by German production engineers, and the labour force. most of it female, is working with the latest Japanese sewing

machines. The products are mainly shirts—300,000 a month, mostly for Germany, hut including some for the UK and other mar-kets. San's customers include several big shirt names in Germany: in the UK Burtoo. Debenham and British Home Stores; and in the U.S., Arrow, Eterna and Jockey. The company also makes trousers, anoraks and leisurewear, again mainly for Germany, and is pro-

some in pure slik, which will retail for more than DM 300 in Industries, points out. Germany.

long since disappeared and manufacturers are now much less reluctant to brand their

goods, "Made in Hong Kong."
"As happened earlier in the case of Japan, the colony's products are now accepted as good quality in Western mar-

San's, part of one of Hong now taking place, hringing the threat to the industry, as the Kong's biggest textile groups, colooy ioto much closer compe. major groups now realise, means typical. The bulk of Hong Europe, has been Hong Koog's growth has been based on the Kong's output of clothing comes response to a number of pressimple but effective formula. from much smaller factories, sures, particularly from quotas, and in some textile finishing. Import restraints now apply to plants the combination of hot-air most of Hong Kong's exports to drying of fahries with an its two main markets—the EEC external temperature of 90 and the U.S.—and within the degrees still gives some meaning to the phrase sweatshop.

But if San's is an exception in some ways, it remains typical of with the EEC when the GATT

the way in which much of Hong the way in which much of Hong Multi Fibre Arrangement was Kong's textile and garment renewed in 1977, Hong Kong industry—representing roughly was limited to an overall growth 45 per cent of the colony's of 6 percent in exports per year. exports and industrial employment—is going. The "Empire spipments of some products—a
Made" label, which once secured access to the British market, bas as unjust and a penalty on their efficiency.

With volume growth res-tricted, manufacturers have sought to maximise the value of their quotas by producing quickly inth expanding are higher quality goods selling at and out of declining ones. been actively encouraged by the

big Western buying groups for whom it has made sense to turn to other, less-skilled suppliers for simpler and cheaper garments—such as tee shirts—leaving Hong Kong with its 20 years of accumulated experience in garment-making to

#### Costly fabrics

At shirt factories like San's this has meant a move into more expensive fabrics and European standards of finish. In knitwear, too, there has been a switch into higher-quality yarns and fashion designs with extra trim. Whereas ten years ago Hong Kong's knitwear was mainly Shetland wool-type garments, much of it is now lambswool and even angora, cashmere and fur blends. The textile sector has shrunk in size and now employs around 70,000, compared with

240,000 ln garments. The other main pressure which bas persuaded Hong Kong to adopt this strategy is its now rising cost structure. Though textile wagea by European standards are low-one quarter of those of similar operators in the UK and one ninth of those in Germany—they have been rising and are substantially ahead of those in Hong Kong's. main competitors in the Far East. In Asia as a whole, Hong wages are now secon only to Japan and they are half as much again as South Korea.

another major textile exporter. In San's, for example, the average wage for a female worker is about HK\$1,000 a month (£100) and rates in other textile factories seem also to be in the range of HK\$900-HK\$1,200. Tax rates are low or do not apply in the case of families, most of which have several wage earners, and the cost of many hasic itemstransport, rice and clothing among them—is low. Average earnings have risen by around 60 per cent since 1974, and there Is now strong competition for lahour from other sectors of Hong Kong's buoyant economy, with some estimates putting the

#### Competition

Wages in textiles are now increasingly baving to keep pace with those which men can obtain in the many construction indus-try projects going ahead in Hong Kong, including the new Mass Transit Railway, while the growth of service employment, the result of a hotel-building boom and rapid expansion of the financial sector, is creating attractive new jobs for women at high rates of pay. Though abuses undouhtedly do still occur, exploitation of labour, the charge frequently levelled at Hong Kong's garment sector by UK unions and employers, has become more difficult to prac-

tise.
Companies, too, have had to resort to various incentives to encourage workers to slay and to persuade them to bring along recruits. At Soco Textiles, lo one of Kowloon's new industrial areas, fringe henefits now in-clude free transport to work, factory shops, medical assist-ance, and organised outings on holidays (now set at a statutory ten days a year).

Thus, with wages set on a rising path and as workers come to expect a continuation of the steady increase in living standards. Hong Kong would find it difficult, even if it wished, to compete io lower-priced gar-ments. The new burden placed on the economy as a result of to grow as fast as all other se the inflow of refugees has tors of the economy, despite th merely added to the need to restraints put oo it, and as concentrate on higher margin result has stubbornly main products capable of generating tained its near 50 per cent shar a higher return. It is a strategy which is so

far proving successful, with narment exports last year rising by around 7 per cent in volume and 13 per cent in value, and with aales overseas in the first three months of this year showing a more dramatic rise of

SAN'S Clothing Factory in ducing 120,000 blouses a month, kets." Mr. Cecil Chan, director sector-itself the great Chioe manufacturing rivals ara co The move up-market that is cerned-perhaps poses the ma

> what the West wants on tim and it is this which persuad the big buying groups to ke returning sometimes in spite somewhat higher prices the elsewhere in the region. In knitwear, for examp

buyera from the West descei once or twice a year on the Hong Kong associates wi sketches of garments they wa produced or with a garme they want modified. "Ho Kong's stock-in-trade is bel able to come up very quick with samples and then mn quickly in hulk production Mr. Oliver Nicholl, director Hilwin Enterprises, points of Hong Kong companies ha also been adept at moving ve

#### Last stand

The latest mayes up-mark however, are taking the colo into the bigh quality are where the garments industri themselves decided to ma for further restrictions coo handle their more sophisticated build up, particularly if serious slowing down of wor trade follows the present a shortage. The U.S. has alread returned to ask Hong Kong for a review of quotas made at t time of the MFA renewal, as Hong Kong's huoyant exports Britain seem certain to provo concern. "The textile indust fears that protectionism was read against a background low world economic growth at that it will not be allowed participate when growth do resume," Mr. William Brow chief manager of the Charter Bank in Hong Kong observer

The industry's response the problem of labour shorta will also be crucial. The arriv |... of around 200,000 Chinese a: Victnamese refugees this ye so far has created a potenti new source of labour but the are difficulties, some fire claim, in motivating immigran from Communist countries reach the required levels productivity and quality.

One solution to both tl quota and labour problem likely to be the creation further satellite manufactur operations overseas. a proce already underway. Hong Kor capital is already behind ve tures in Macao. Malaysi Singapore and other naari states, and moves have bega to further afield, to Sri Lank Mauritius, and even America.

It seems likely, too, th Hong Kong will eventually was to tap the labour pool availabin China, which is already major supplier of certain type of fabric, including corduro the current fashion fahric, Hong Kong. Some firms are also seeking t

reduce their reliance on the contract trade by developing designs of their own, thoug there is disagreement of whether or not the colony ca labour sbortage as high as ever hope to become a fashio 100,000 in manufacturing.

The industry is also awar that it has too many of its egg-in too few baskets, with no les than 70 per cent of all garmer exports last year going to th U.S., Germany and the UK. Trepattern of sales reflects the fathat these are still the more markets interpretable. open markets ioternationally despite the controls they operat — and the countries with th most developed retail network Efforts are being made to pr mote sales elsewhere and Japa -which last year took nnly 3, per cent of Hong Kong's ga ment exports, slightly less tha Canada—is seen as a prim

But although the colony developing new areas of expe tise and new markets, th dominance of the sector withi its overall manufacturing bar is a cause of some concern, at offerts are continuing to develo special committee un diversific. tion is expected in September and is expected to recommend search for more inward inves-ment, with the Trade Develo ment Council, which already ha branches throughout the work playing an important role. Th colony is likely to be looking, i particular, for high-technolog companies which can separat out part of their production for location in Hong Kong. The problem in the past ha

of exports and employment Whether this will prove to b the case yet again depends of whether the various constraint textile manufacturers now fea do emerge. On past evidence however, there is clearly a good chance that the next decade wil 

been that textiles has continue





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How's that for enterprise!

# C-10 groundings give WA sharp profits boost

on the domestic analysis of the domestic and using other analysis estimated at \$4m craft more intensively. United that the name of its financially has reduced its capacity short-

rought TWA a huge

i is one of TWA's main \$4m a week in TWA's operating

gains estimated at \$4m to one in tensively. United has reduced its capacity shortfall to 14 per cent, but it has obtained by charter carriers are of their fourth week of its without the DC-10, beading for a bumper quarter because the gast the second chance within the last three to work to its advantile which shut down Airlines, the largest craft more intensively. United has reduced its capacity shortfall to 14 per cent, but it has obtained at the thousands of passengers who are now fiying TWA. Nevertheless, substantial ticket discounts and a three-week coupon promotion scheme which will coable United travellers to but it has out been able to accommodate the thousands of passengers who are now fiying TWA. Nevertheless, substantial ticket discounts and a three-week coupon promotion scheme which will coable United travellers to buy tickets at 50 per cent of normal price between July 1 and December 15, has ensured that the depleted feet has been operating at full capacity. This brings substantial profit gains on existing flights Airlines, the largest profit gains on existing flights; carrier, in April and which will go some way towards offsetting the coats of the

In traffic at a time when aggressively expanding.

TWA is also gaining from the dependence of its other main

tors and its vignrous bid profits has been produced by Miami and New York and Fort ack market share from Mr. Robert Joedicke, airline Lauderdale where Delta and nning of Jnne has been analyst at Lehman Brothers Eastern Airlines bave the d by the grounding of Kuhn Loeb.

UGHN WYLES IN NEW YORK

UGHN defectively removing 23 per cent ing roughly 12m revenue ing passenger miles per day on the domestic airline by completely revising its because of the DC-10 grounding also bringing large schedules and using other air craft more intensively. United \$5m a day added revenues and \$4m a week operating earnings 34m a week operating earnings allowing for variable costs," be TWA lost \$60m in the first quarter and might bave been heading for a \$40m loss this

Meanwhile, the other trunk airlines affected by the ground-ing bave, like United, cancelled

services and revised their schedules to cope with the grounding. National Airlines and Continental Airlines bave been forced to pull out of some routes altogether.

While DC 10s number only 16 out of National's 56 strong fleet, they accounted for about 50 per cent of its total capacity. The airline has put all its resonrcea ied something like \$27m rival, American Airlinea, on 30 airline has put all its resonrcea in operating profit in DC-10s for about 20 per cent of into maintaining its east-west routes between Florida and California and has ceased operating the second of the control of the cont tions between New York and

GM INVESTMENT IN BRAZIL

# The shift towards multi-fuel engines

BY RIK TURNER IN SAO PAULO

important that the durability of

the engine."
This view was behind the company's decision to stop pro-duction of its long-lasting but thirsty diesel engines at its Detroit Diesel Allison do Brasil plant at Sao Jose dos Campos in the State of Sao Paulo. The move, announced last week by Mr. Elliott W. Estes, president

of the corporation, caused great concern at the plant in question, where the 1,200 employees began to fear unemployment. However, Mr. Sanchez explained that this was not the case. Although some national newspapers had spoken of a new factory to be built for the production of the multi-fnel engines for GM's "world car," to be lauoched by 1982, the they will come from the U.S. engine will in fact be built at and Japan.

BY OUR NEW YORK STAFF

first time in 20 years.

leading indicators of New York average.

IBM and Merck join

**Dow Jones Average list** 

COMPOSITION of one of the- to - be - represented in the

Stock Exchange trading, the The new list of atocks com-Dow Jones Industrial Average, prising the average is: Allied is being changed today for the Chemical, Aluminium Co.,

voiable and less representative Goodyear, Inco, IBM, Interincrease stability, two lowpriced stocks, Chrysler Corporation and Esmark a diversity.

undertaken to find alternative employment for the rest.

While the engine for the new "world car" will be produced at the deactivated DDAB (Detroit Diesel Allison dn Brasil), the car itself will be manufactured at the company's factory in Sao Cactann dn Sul, in Sao Paulo City's industrial in Sao Paulo City's industrial zone.

"The only parts which will have to be imported," Mr. Sanchez went on, "are the transaxle—the new car will be Australia and Japan. A slice of rear-wheel drive—and the European market was forward trailing axle." These deliberately left for GM do

· The new list of atocks com-

'Today, the customer sees his trip to the petrol important than the durability of the engine' Joseph Sanchez, president of GM do Brazil.

are not produced at present in Brasil when the operation was Brazil, and the conomics of planned. The main reason for scale which must be practised this is the Brazilian Governin order to do so cannot be ment'a programme of generous implemented at this stage. Thus import-facilities to companies

diesel engines. By far the more popular due to petrol prices, the diesels fal linlo two categories: some 20 per cent, or 23,000 vehicles, are fitted with the DDAB engine which is to go out of productino, and the rest bave Perkins engines, a lighter and actually slightly cheaper alternative. Mr. Joseph J. Sanchez went on

tn asy that plans for new lorry models will be aunounced "in not less than a year," and when asked if this meant the company would be moving into bigger lorries, he indicated that the new range would probably go up to 16 or 17 tonoes.

The new engine will be "multi-fuel." in that it will be adaptable for use with a whole range of fuels besides pelrol. undertaking to export a giveo This development reflects the a 50 per cent increase on present amount in a given time. The car world preoccupation with levels.

IN A general discussion of the investment by Geoeral Motors of \$500m in its Brazilian subsidiary, Mr. Joseph J. Sanchez, present employees will be 230,000 per year with between president of GM do Brazil, said that there bad been "a shift in priorities, so that today the customar access his trip to the petrol station as more doubled—and GM do Brazil bas important that the durability of the control of the system, and in the continuous control of the system, and in Sanchez explained, the location of one of the engine production rate of advantage of the system, and in Sanchez explained, the location of one of the engine production gray and proposed by the new production and the UK. GM's German process as possible, according to make the control of the system, and in Sanchez explained, the location of one of the engine production period 1976-85.

In Brazil, GM currently proposition rate of advantage of the system, and in Sanchez explained, the location of one of the engine production rate of advantage of the system, and in Sanchez explained, the location of one of the engine production rate of advantage of the system, and in Sanchez explained, the location of one of the export of \$100 in the expor motivated by low labour costs and prospects of a stabla political future, bas a lot to do with the national alcohol programme. This seeks to reduca Brazil's heavy dependence on petroleum imports by replacing paired in road transport by petrol in road transport by hydrated ethyl alcohol produced from sugar cane.

Another factor is the growth, not of the Brazilian domestic market, for which Mr. Sanchez predicts zero growth in 1979. but of the export market, largely because of the export incentive programme. Even so, the domestic market's present stagnation, due in part to Government measures which have cut hire purchase repayment periods and increased purchase tax on industrial goods, is not seen by GM as long term: the company predicts a domestic market of 1.5m vehicles by 1986.

# CNB forecasts record results

arolina National Bank, \$2

id "We are looking for Profit in the aecond quarter AP.DJ

LOTTE - NCNB Cor a substantial increase" over the will at least match and is likely , holding company for record 1978 profit of \$33.9m or to exceed first-quarter earnings.

a sbare, which included Profit then totalled \$10.6m or a record profit in 1979 \$422,000 in accurities losses. 62 cents a sbare, which included record profit in 1979 "We bave no quarrel" with \$35,000 in securities gains. Last modest increase in its analysts' estimates of full year vear in the second quarter i, Mr. William H. earnings of more than \$2.55 a NCNB earned \$8.6m or 51 cents Jr., the president share. But "we cannot verify a share after \$28,000 them either."

#### idge grants injunction to Asbestos

OBERT GIBBENS IN MONTREAL

UEBEC superior court legislation last week, and the issue of constitutionality Government from using ently, passed expropriaislation for a takeover

w issued a temporary Ashestos Corporation and its can be decided. on probiblting the Pro- parent company, General Dynamics Corporation of the U.S., immediately challenged 1. Quebec assets of its constitutionality in the Government in the history of s Corporation.

superior court, asking for a the province, is effective until Jovernment passed the temporary injunction before July 6.

T INTERNATIONAL BOND SERVICE

list shows the 200 latest international bond issues for which an adequate aecondary market

For further details of these or other bonds see the completa list of Eurobond prices poblished ecood Mooday of each month.

Closing prices on June 28

OTHER STRAIGHTS
Nordic I, 9k, 9 84 SNR
20
Ayen Pin. 10's 86 CS. 25
Ex. 0ev. Cpn. 10 84 CS 50
Fsl. Cen. Inv. 10 84 CS 50
Fsl. Cen. Inv. 10 84 CS 50
Hudson Bay. 10's 89 CS 50
Quebec 10's 86 CS 50
R. 2k. Canada 10 85 CS 40
R. 9k. Canada 10 85 CS 40
R. 9k. Canada 10 84 CS 40
Copenhagen 8's 91 EUA 25
Komm. Inst. 7's 93 EUA 35
Fanema 8's 93 EUA 40
Algemens 2k, 6's 83 FI 75
CFF Moxico 7's 83 FI 75
Red. Middbk. 8's 84 FI 75
Norway 8's 84 FF 75
Norway 8's 87 FF 150
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EU 20 CECA 9's 89 E 75
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Norges Km. 28 86 Luxfr 500
Solvay Fin. 28 85 Luxfr 500

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† Only one market makes supplied a price.
† Only one market makes supplied a price.
Streight Bonds: The yield is the yield to redemption of the mid-price: the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week —Change over price a week sarlier.
Floating Rate Notes: Oenominated in dollars unless otherwise indicand. M — Minimum coupon. C. dts—Oste naxt coupon becomes effective. Spreed — Margin above aix-menth officied rate is: U.S. dollars. C.cop —The current coupon. C.yid—The current yield.

Convertible bonds: Oenominated in dollars unless otherwise indicated. Chp. day—Change on day. Cnv. dome—First date for conversion into shares. Cnv. price—Nominal atmount of bond per share expressed in currency at share at conversion rate fixed at issue. Prem—Porcontage premium of the current officiality price of the electes.

The Financial Times Ltd., 1979. Reproduction in whole of in pan in any lorn not permitted without writish consent. Oats aupplied by Inter-Bond Services (a subsettly of dateSTREAM International).

injunction, Asbestos Corporation's lawyers claimed was the first ever granted against the Quebec

#### which is the first drug company \$135m bill for reactor

deficiencies By David Fishlock, Science Editor

company, and Merck and Co.

GENERAL ATOMIC, the nuclear company owned jointly by Royal Dutch Shell and Gulf Oil, is paying one of its customers performance of a nuclear reactor at Denver, Colorado.

\$60m in cash, which bas just been paid, and a further \$75m in deferred payments.
But a new contract negotiated still leavea General Atomic

The reimbursement consists of

with important responsibilities towards the reactor, Provision for the payments has already been covered by the loss reserves allowed for by the two partners, said Mr. Harry Beckers, newly-appointed bead of Sbell's

nuclear energy division.

The new contract between General Atomic and the Public Services Company of Colorado, concerns a power station called Fort St Vrain, 35 miles north of Denver, Colorado. It is the world's first commercial-size reactor of the hightemperature gas-cooled type — an advanced version of Britain's

advanced gas-cooled reactor (AGR). The 330 MW reactor produced its first power in 1975 but has not been able to sustain more than 70 per cent of its design

ontput. As a result, General Atomic, which had negotiated a fixed-price contract to build the reactor, has had a large team of engineers tied up at Fort St. Vrain, as well as meeting the cost of replacing the deficiency in electrical output.

The aetilement is on the basis that the reactor is re-rated as a 200 MW unit, This has been decided because at outputs above about 70 per cent the reactor temperature tenda to rise and fall in a disturbing manner, for reasons still not fully understood.

One theory is that the graphite blocks incorporating

the fuel which makes up the core are tending to shift about uoder the immense aerodynamic forces exerted at higher power levels in a gas-cooled reactor. This would cause the gas flows, and hence the temperature, to fluctuate throughout the reactor.

If this theory proves correct, it could point to a basic weakness in the desigo, and could effectively restrict the power output for the lifa of the reactor. The new contract between General Atomic and the utility provides the latter with free echnical services from General Atomic to the value of \$17m.

Beyond these provisions, the utility will pay General Atomic for further services. This must

TXIA loan arranged

include fuel since the company is the only source of the required fuel.

Texas International Airlioes (TXIA) has established a credit facility with six banks which would provide up to \$60m for use in the acquisition of National Airlines stock if the Civil Aeronautics Board allows it to buy control of National. Renter reports from Houstoo.

#### Strong fourth quarter for **Pillsbury**

Westinghouse Electric, and

NEW YORK - Pillsbury Company, the food and restaurants group, reports strong growth in its fourth quarter, to May 31, results with an \$700.9m in sales and an increase in net profits from \$15.65m to \$21.98m, equal to \$1.11 per share compared with 89 cents,

Profits for the full year are abead from \$72.51m to \$83.47m, or from \$4.14 to \$4.62 per share on sales of \$2.16kn against \$1.7kn. Shares in issue averaged 18.1m compared with 17.5m.

Results for 1978-79 include \$154m in sales and about \$5m in earnings, after adjust-ment for interest costs, from the acquisition of Green Giant Company in February which is accounted for as a purchase.

The 1977-78 net profit
figure includes a gain of

seven cents a share from dis-

#### McCormack offer

continued operations.

Moore McCormack Resources has increased its takeover offer for Florida Mining and Materials, the small Sonthern cement maker, to \$48 a sbare, agencies report from New York. The bid followed swiftly a \$45 a share offer from Kaiser Cement.

Gulf—Uniroyal

Gulf and Western Industries has sold a majority of its 1.5m Uniroyal shares and plans to dispose of the rest, Reoler reports from New York. Gulf made an off-Board sale of 823,100 shares at \$6.25 apiece.

Corning Glass growth Corning Glass Works, the special glass concern, raised its net profits for the first baif, to June 17, to \$74m, or \$4.17 a share, from \$52,20m, or \$2.95 a share, in the same period last year, agencies report from New York, Sales rose to \$669.3m from \$567.9m.

Data General ahead Data General, the small compnters company, increased net profits for the first nice months to Jnne 9 by 40.4 per cent to \$36.5m, equivalent to \$3.55 a sbare, from \$26m, or \$2,60 a sbare, in the first three-quarters of 1977-78 assender terrors from the first three-quarters of 1977-78. agencies report from New York. Sales were 37.2 per cent up to \$336.6m, from \$245.4m.

Bay-Simpsons terms Hudson's Bay and Simpsons said that both Boards have agreed to merger arrange-ments in which Simpsons' sharebolders will receive our Hndson's Bay share for each cight shares beld or C\$28.40 in cash and one preferred share, reports Reuter from

#### **EUROBONDS**

# **Tight terms for World Bank**

THE VOLUME of new D-Mark reasonable size of the new issue denominated bonds during the four weeks to July 23 has been set by the German capital mar-American Branda, American kets sub-committee at DM 580m. The change in the 30 stocks has been precipilated by the three-for-one stock split by Du Pont, Eastman Kodak, Pont Company. This was expectage more eral Foods. General Motors, Scheduled, DM 150m for Brazil Scheduled, and a DM 30m private place-ment for a U.S. industrial name, both through Deutsche Bank.

tion and Esmark, a diversified Manufacturing, Owens Illinois, food company, are being Procler and Gamble, Sears dropped, and replaced with International Business Macbines, the largest U.S. comments of the company of Although some German bankers felt that the indicated terms of this bond for the World Bank were tight—a coupon of 73 per cent and a bullet maturity of 12 years—the issue was quoted at a discount of only 1-1 of a point io early pre-market trading. The friendly welcome extended to the Issue can also be explained by the

calendar. in the secondary market, seasoned issues posted further

In the dollar sector of the market, \$150m 12 year issue for the European Coal and Steel Community, to be offered in Japan (\$50m) and Europe (\$70m), will be jointly led by Daiwa Securities and S. G. Warburg. The bonds carry an interest rate of 101 per cent for the first two years, falling th 94 per cent for the remainder. The issue price will be 99, and the bonds will bave an average

life of 9.75 years. Tokyu Department Store will offer 9.7m shares of common stock, represented by European Depository Receipts, through a group of banks led by Nomura Europe. The EDRs will be

issued hy Chase Manhattan Bank S.A. The EDRs will ba issued at a discount from the closing price of ordinary Tokyu Department Stores shares on the Tokyo Stock Exchange oo July 11. The closing price of the shares yesterday was Y410. Meanwhile, in New York, Canoo Incorporated of Japan will offer an \$80m convertible debenture through a group of banks led by Goldman Sacha and Co. The offering dale is in carly August. This issue includes a bullet maturity of 15

The latest Luxembourg francdecominated bond offering is a LuxFr. 500m 10-year issue for Eurofima. Indicated terms of this issue, which is led by Kredjetbaok Luxemboureoisc, include a coupon of 8} per cent and an average life of 9.5 years.

#### International activities give impetus to the Kredietbank's further growth

Some significant figures from the balance sheet at March 31

m nc)	mon pergran	Trancs)		
Capital and reserves	1979	1978	1975	1970
	11,605	10,642	7,461	3,968
	337,419	296,562	185,944	73,144
	1,651	1,460	950	492
	374,979	325,931	207,138	84,461
Net dividend (FB)	330	290 (*)	245	165
Number of staff	8,420	8,344	8,035	6,151
	732	723	694	573

(\*) The new shares created in November 1977 received a dividend of FB 145.

#### Highlights of the 1978-1979 financial year:

continued growth in the international field, so that the expansion which has already lasted for two --- Prominent among the decades went ahead unabated. The increase in the volume of international business was based primarily on a network of over 2,000 banking correspondents throughout the

- The Kredietbank showed

world. Great attention was naturally paid to the further organization of the New York and Bahrain branches, and to the Irish --- Activity in the field of insubsidiary Irish Intercontinental Bank, Dublin, all of which developed very favourably over

co-operation with them, international payments were dealt with more rapidly.

Kredietbank's essential activities in the international field are foreign exchange dealings. The international trade of the Belgo-Luxemburg Economic Union is also given full attention, so that firms can count, for the execution of their export plans, on various forms of assistance by the bank.

ternational loans was again quite brisk. The Kredietbank thus participated in 73 international covered mainly Europe (including Eastern Europe) and America.

phical spread of which

On the Eurobond issue market, the KB group succeeded in holding its own, despite the dimini shed level of activity: it acted as manager for 19 issues, against 7 in the previous year. The KB also participated in 107 bond loans as underwriter and was member of the selling group for 347

The bank provided a great many foreign companies with information about Belgium and the investment opportunities

Head Office	Arenbergstraat 7, 8-1000 Brussels				
Branches .	732 branches in Belgium Abroad: Kredierbank N.Y. Branch, 450 Park Avenue 6th Floor, New York, N.Y. 10022 Kredierbank Grand Cayman Branch P.O. Box 694 George Tom Cayman Islands Kredierbank (O.B.U.), Salahudden Building, P.O. Box 5456, Manama, Bahrain				
Subskieries	In Belgium: Crédit Général S.A. de Banque Grand-Place 5, B-1000 Brussels Abroad: Kredietbank (Suisse) S.A. 18 Bid. Georges-Favon, Ch-1211 Geneva 11 Irish Intercontinental Benk Ltd., 91 Memion Square, Oublin 2				
Attiliated Bank	Kredietbank S.A. Luxembourgeoise, 43, Bld. Royal, Luxembourg				
Representatives	in the United States and Canada, Australie, South Africa, Mexico, Japan, Singapore, Iran and Hong Kong				
	Member of the Inter-Alpha Group of Banks				

# 564 572 - 04 - 04 10.84 Change on 18 10 Chang HE MARK HTS 18 198 150 18 71, 89 150 2 2 88 250 5 180 150 2 2 88 250 2 50 150 2 2 88 250 2 50 150 2 5 180 150 3 6 2 8 8 100 4 0 2 2 2 6 8 8 100 4 0 2 2 2 6 8 8 100 4 0 2 2 2 6 8 8 100 5 180 150 9 1 200 HE MARK 1 FRANC GHT2 tsp. Int. 31, 93 Day. Sank 21, 94 a 31, 93 tile 31, 83 tile 31, 8 Change on | Bid Offer day week Yield | 85% 85% 0 - 0% 7.95 | 11% 52% 0 - 0% 7.88 | 36% 85% 85% 85% 10 + 0% 9.15 | 30% 21% 0 + 0% 9.15 | 50% 91% 0 + 0% 8.36 \$TRAIGHTE : lasued : Dev. Bank 54 68 15 15 30 20 20 20 5.9 80 20 10 10 6.2 85 20 10

#### SOLVAY in 1978:

diversification of activities and proficiency of techniques



**GROUP GENERAL** SITUATION

#### SCIGHT IMPROVEMENT

In 1978 the mittel months tealured a slight improvement in afficient Ageria stagter period invest picked up again but the trend actual lower prices continued during 9 000 of the year. This factor complined with the decreasion of most currences to relation to the Bobison man, Armies the increase in tumover to allocation than largety captielling the benefit of tonnage.

#### CONFIDENCE IN THE FUTURE

Our policy aimed at anotering naplants and increasing productions had staned to pay off, we achieved certain objectnes in energy saving and purities improvement. We are following this up and are becoming involved in profit to ind new sectors to maintain a Salable Santaniania in the life span of our products. The future of pharmaceuticals, was othernistry and biochemical processes. seems to be encouraging

#### DEVELOPMENT AND DIVERSIFICATION

**commissioned in lie-31, two perchaped** hermicals units are being built on the same site and another one was brought on stream in Brasit Construcion work on a steam cracking is noing should in the United States in cooper



95,122 90 570 2,650 2,405 28,064 25,887 8,912 7,820 Research e conditure

> Profit for the year." Not proble Net crustend

Feirmannel ekpenditure

intermediate to Sohin, characteristics In Europe, we have strengthened non position in the field of plastics pro-reasing by taking over several compameasures of adaptation concerning

#### OUTLOOK

Until now, our policy of product and market diversification has been protitable. With technological proficiency it enables us to teel optimistic



nie, in Tast German, and in the Hetheriands. We have also taken an interest in a teremanical company in

Switzeriand Solvar, & Clent en internanchal proporation which employs nearly 45,000 purspins in your continegts

Because on the recognition our Group has taken in Bergiam certain limited.

Copies of Solvey & Cie's complete annual report for 1978 are available in French, Dutch, English or Germai on request to Solvay & Cie, Secreta rial General, rue du Prince Albert 33.

This announcement appears as a matter of record only



#### SONATRACH

U.S. \$49,267,300 Medium Term Loan

GZ3 Hassi R'Mcl-Arzew Pipelinc Project

#### Guaranteed by Banque Extérieure d'Algérie

Continental Illinois Limited -Bank of Scotland Barclays Bank International Limited First City National Bank of Houston Seattle-First National Bank The Cleveland Trust Company Union Méditerranéenne de Banques

Continental Illinois National Bank and Trust Company of Chicago . = :

Barclays Bank International Limited Seattle-First National Bank Union Méditerranéenne de Banques

First Pennsylvania Bank N.A. Anglo-Romanian Bank Limited Clydesdale Bank Limited

Bank of Scotland

First City National Bank of Houston The Cleveland Trust Company Dresdner Bank AG.

(Grand Cayman Branch) Nomura Europe N.V. Banque Internationale pour

l'Afrique Occidentale "B.I.A.O."

Interior Leader & Paying Agent

Contioental Bank International (Texas)



**W** CONTINENTAL ILLINOIS LIMITED

June, 1979

U.S. \$25,000,000

Floating Rate Notes Due 1989.

#### UNITED OVERSEAS BANK LIMITED

(Inco:porated in the Republic of Singapore)



In accordance with the provisions of the Notes, notice is hereby given that for the three month interest period from 29th June: 1979 to 28th September, 1979 the Notes will carn; an Interest Rate of 11% per annum. The relevant interest payment date will be 28th September, 1979 and the Coupon Amount per U.S. \$1,000 will be U.S. \$27.81.

> Credit Suisse First Boston Limited Agant Bank

#### FRENCH BALL BEARING INDUSTRY SNR looks to exports for growth

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

prices started to recover a little cent of exports are accounted in the first half of this year.

This is an important factor in the expectation of Societe Nouvelle de Roulements (SNR). the bearings subsidiar; of Renault, that it will return to small profit this year on a pro-jected turnover of FFr 78.5m (\$18.38m). Last year the com-pany, which sells 70 per cent of its output on the home market made a loss of FFr 26m.

But the export expansing policy to which SNR is firmly France. committed is now beginning to pay off, and sales outside France chased a hearings factory in have played a significant part in Annecy, in the French Alps,

with Spain, the U.S. and the bearings requirements, representing.

Some 58 per cent of export agles are made through these Although SNR is required by

for by industrial agreements.

SNR's reason for huilding up its foreign presence is that it believes there is a limit to the amount by which it can increase its share of the home market. It has a 22.9 per cent share of the French market (17 per cent in 1970), making it number two to which is the world's largest bear- its overseas presence SKF, the Swedish-based group ings company.

SNR is younger than SKF in France. The company dates back to 1945, when Renault purboosting turnover in the first from its Swiss owners. Its half of 1979.

Over the past few years. SNR closely with that of Renault, and has set up sales companies in it still supplies about 85 per Britain, Germany, Italy along cent of its parent company's with Spain, the U.S. and the bearings requirements, repre-

companies, of which nearly 80 Renault to be self-financing, this per cent are in Europe. A further 21 per cent are sold directly doubtedly enabled it to plough

is nne of the most efficient bearings manufacturers

Europe. Production workers total only 2,800 at five factories in France,

SNR is building up through sales companies it operates in Europe and North and South America

all except one being in the Annecy area. Ales, in the south of France, produces bearings for high volume orders only, and is highly automated. It employs only 130.

Over the past three years, investment has average 5.5 per

FRANCE IS ONE of the most price-cooscious markets for hearings, but there is evidence that prices started to recover a little cent of exports are accounted to recover a little cent of exports are accounted to recover a little cent of exports are accounted to recover a little cent of exports are accounted to recover a little cent of exports are accounted about. The result is that SNR cent of exports are accounted about. The result is that SNR cent of exports are accounted about. The result is that SNR cent of exports are accounted about. The result is that SNR cent of exports are accounted about. The result is that SNR cent of exports are accounted about. The result is that SNR cent of exports are accounted about. The result is that SNR cent of exports are accounted about. The result is that SNR cent of exports are accounted about. The result is that SNR cent of exports are accounted about. The result is that SNR cent of exports are accounted about.

SNR's expansion policy is twofold: exports, and to build up a more extensive range so that it is less dependent on the

motor industry. Paradoxically, the strength of its reputation in the motor ludustry is a key factor in expanding exports. It is already supplying, or is soon to supply. Volkswagen, Fiat, Ford, Daimler-Benz, Audi-Alfa-Romeo and Vauxhall, SNR marketing managers regard these contracts as a distinct

achievement, but baving gained. an entry to these major motor manufacturers, they do not want to become a first source of supply. To supply Renault on this basia is sufficient.

SNR's output went to the automotive industry in France worldwide it was 35 to 40 per cent. The aim is to supply other OEMs (original equipment cent of turnover, but in earlier manufacturers) outside the years it was as high as 8.5 per iodustry, but in do this SNR has cent. The company is not to introduce more types of bear-

source of bearings for the French aerospace Industry, but in machine tools, for example,

Its sales are very small. The bearings industry is suffering from worldwide overcapacity which has been aggravated by the Japanese, and more recently the East Europeans. SNR estimates that the Japanese share of the French market, bowever, has fallen by about 30 to 40 per cent; so that they now have about 6 to 7 per cent of the market (about the same as in the UK). The East Europeans have about 5 to 6 per cent

Concern at Japanese competi-Last year, 55 per cent of tion has lessened as a result. pursue an expansionist policy. Io this it has been, and will be helped by the relative strength of the French automotive in dustry. But it clearly intends to expand beyond these indus-trial and national frontiers.

#### SGI sale of hotel stake confirmed

ITALYS largest private construction and property group. Societa Generale Italiana (SGt), confirmed yesterday it was negotiation the sale of its 41.7 per missile and aerospace company, cent controlling interest in the i which began to diversify tiatiog the sale of Its 41.7 per Ciga luxury hotel group to the U.S. Dunfey Hotels company controlled by Aer Lingus, the Irish national airline.

The sale of Ciga has been at the centre of a controversy in the last few weeks following GI's announcement last munth that it was selling its stake fur L61bn (\$73.32m) and persistent denials of the deal on the part of Aer Lingus.

But at the property group's annual meeting yesterday, Sig. Arcangelo Belli, the depuly chairman, confirmed that his company "accepted last May an offer of L61bn made by Dunfeys chief executive for SGI's holding in Clga. Payment would in part be made in cash and in part in bank guaranteed

However, the deal still hioges on a series of conditions and the two parties have agreed to finalise it hy the end of September, the vice-chairman said

These conditions include approval of the deal by the outflow from Finland was for the period last year despite since the SKr 10.1m in earninga Italian authorities, an independing form from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad talian authorities, an independent from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approximately approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approximately approval of the deal by the Hasselblad from SKr 2m in pre-tax profit, approximately appr Italian authorities, an independent audit of the company's fiscal 1978 halance sheet, and agreement that Dunfey will have access tu all other pertinent information on Ciga it reguires,

Dunfey bas asked for access to additional information reserving itself the right to submit it to its main shareholder. Aer Lingus, and to its own hoard. According to Sig Belli, the SGI vice-chairman also said that his company would supply all required data to Dunfey.

SGL, the former sheet anchor of the financial empire of the controversial financier Sig. Michele Sindona, reported yesterday losses of L3hn last year compared to LI9.5bn in 1977. The company, which has now launched a niajor restructuring programme, also intends 10 increase its capital by L10bn.

For its part, Ciga, which is based in Venice, grnups to-gether some of Italy's most celehrated luxury hotels and owns FM 136m went to sales com-assets elsewhere in Europe and panies. Swedish, British and

Stewart Dalby writes from Dublin: Acr Lingus was un-available for comment in Dublio last night. The company's last officially stated position was that the deal with SGI had not SAEFVEAAN, the Gothenhurg trading, industrial,

# France regroups watch industry

BY TERRY DODSWORTH IN PARIS

THE FRENCH authorities have succeeded in putting together elaborate reorganisation plan for the country's cluck and watch-making industry after virtually a year of hargaining.
This emerged vesterday in two developments which made

it clear that the main vehicle for the restructuring will be Matra, the high - technology recently into clectronic component manufacturing.

Matra is to take a controlling

interest of 38 per cent in Jaz, a watch and clock group which began to rationalise the indus-try a year ago with the help of state finance. Jaz was controlled by the Empain-Schoeider group. This

acquisition follows Matra's month-old move into the French vehicle instrumentation group which recently launched its own altempt to move into the clock and watch making sector with a hid for Yema, a Besancon-hased company which has estab-

iovestment inflow of FM 141m.

according to figures released

hy Finnfacts, the Information

More Finnish companies

established subsidiaries abroad

in 1978 but the amounts

invested were in most cases

fairly small, a reflection both of

the depressed financial situation

of many Finnish concerns and

their desire to hoost exports. Nearly 60 per cent of Finnish

companies' lavesiments went to

the EEC countries with Finland's EFTA partners receiving only 17 per cent. Of the total net outflow some

FM 100m was invested in pro-

duction facilities, FM 64m in sales subsidiaries and FM 93m

companies held at least 20 per cent of the share capital in S61

foreign subsidiaries, of which

15 per cent were engaged in

some form of manufacturing.
The bulk of foreign invest-

ment in Finland last year, some

Dutch companies predominated.

each accounting for about 20 per

Dividend and interest payments

from Finland exceeded ne

foreign investment by FM 18m.

cent of the total net investment

By the end of 1978 Finnish

in other operations.

Office for Finnish Industry.

BY WILLIAM DULLFORCE IN STOCKHOLM

NET FOREIGN investment by finance and investment group, ings

France's electrooic watch identification a deal which gave the French group and VDO exactly comparable shares of French industry is now mainly 25.5 per cent in Jaeger, con-

controlling interests in Jaeger-Yema on the one hand and Jaz on the otber. Although it is not clear yet how much rationalising and interaction there may be between these two braoches, the Government bas given its bless-

France has retained an industry in watches.

still essentially directed by From the point of view of still essentially directed by domestic interests.

Government anxiety over the Jaeger bid for Yema was the 41 per cent controlling interest

Finnish foreign investment dips

Finnish companies declined by reports a pre-tax profit for the 45 per cent last year but still first four months of 1979 total-exceeded substantially the net ling SET 8.6m (\$2m), up more the Saefveaan group but yielded

director, is keeping to his fore-

cast earlier this year that 1979

Last year Saefveaan showed

pre-tax earnings of SKr 23.2m

which sbips Swedish pulp, paner

and steel products overseas— making up three-quarters of

pre-tax earnings will

SKr 25-30m.

lished a leading position in was resolved with the Matra French industry is now mainly 25.5 per cent in Jaeger, congrouped around Matra, with its trolled through a joint holding

company.

At the same time, by persuad ing Matra to move into the industry in a kind of tutoral role. Government has avoided the fragmentation which would fragmentation which would have occurred if Jaeger had gone its own way.

ing to the deal. It was The French Government's announced vesterday that the objective in all this manoeuvring authorities have approved the has been to create a group which Jaeger take-over of Yema after can be "effective on a world about six months of blocking scale." Under Jaz are two other the deal. The result of the companies. Framelec and stae's quiet intervention in this Montrelec, which are active in sector of the lodustry is that high volume clock making and

Matra, the two watch groups will It seems that the main create an outlet for its electronic components. Jaeger's instrumentation. interest will provide It with an which VDO, the West German important link in ita own vehicle instrumentation group, developing interests in vehicle held in Jaeger. This problem construction.

Industrial holdings accounted

now - terminated unsuccessful

foreigo venture by Kamas, a

company that makes farm

storage equipment.
During January-April 1979

Ekman's pre-tax earnings were

a year earlier, due to a major

company Fogelfors helped pull

uo lodustrial sector earnings to

#### Belgian airline in the red

By Glles Merritt in Brussels

SABENA, the Belgian national airline, has revealed further losses for 1978 to spite of a perceptible improvement in passenger and cargo traffic. Although Sebena for the first time topped the 2m passenger mark and recorded an increase of almost 12 per cent in cargo business, the depreciation of the U.S. dollar in relation to the Belgian franc during 1978 contributed to the airline's cootiou ing deficit.

The Belgian flag carrier, which is 95 per cent state owoed, has falled to show a net profit since 1970-71. It is currently in the throes of a cost-cuttion programme and for 1978 has managed to reduce its total

But the burden that Sahena Itself has to bear has worsened considerably. For once the Belgian state's statutory con tribution is deducted from the overall losses, the airline's operating deficit rises from the 1977 level to BFr 999m to reach

The worsening position has been largely attributed by Sabena to further deterioration in its currency exchange poaition, with anch extraordinary costs to the airline last year reaching BFr 732m as against BFr 126m in 1977.

#### Peak result from Irish Shipping

By Stewart Daiby in Dublin TRISH SHIPPING, the State controlled shipping line, had it March 31, 1979. The rise in pretax profits is one of from £1.3m to £3.01m. This is the bighest profit the group bas achieved.

The growth appears to bave come from very good business on the company's passenger and car ferries as well as the satisfactory year in dry cargo busi-

Irish Shipping has six modern bulk carriers totalling 159,467 dwt.

The maio subsidiary, Irish Cootioental Line, experienced strong growth with passengers and passenger cars increasing by 38 and 44 per cent respectively. However, despite the bad oil situation dry cargo also did well. Turnover increased only marginally from £21.4m to £24.1m; however a low tax payment belped profit margins to increase from 6.1 per cent to

#### Sales rise 7% this year for German paper group

BY GUY HAWTIN IN FRANKFURT

ELDMUHLE, one of Europe's hargest paper and carton-making groups, has seen sales ment. Net earnings increased rise 7 per cent during the first from DM 36.9m in 1977 to five months of the year com-DM 41.4m, while the contribupared with the same period of thon to the parent Flick coocern

Production during the five months rose 6 per cent to 380,000 tonoes, said the group. Overall, Feldmühle's management is expecting the "positive developments" of the first half to continue into the rest of the year "if not entirely at the same lem po."

The group, which is wholly owned by the Flick concern appears to be doing considerably better than in 1978. The external sales of the West German operations increased T last year by just 0.8 per cent to an DM 1.78bn (\$970.8m).

Consolidated figures, includdated external sales went up ing its competitive position and by just 0.3 per cent to increasing its sbare of the world DM-3.02bn (\$1.64bn).

Profits in 1978, however. totalled DM 35.1m.

Despite the slow growth in cash sales, paper, hoard and pulp production increased by 3 per cent to 900,000 toooes. This brought the group's output up ooce again to 1974's record. Increased production came

about in large part as a result of strongly increased overseas demand—exports as a propor-tion of sales increased from 1977's 22 per cent to over 24 per cent. Domestic sales, on the other hand, remained at a little under the 1977 level.

The smup last year approved an investment programme which envisages the spending of DM 650m up to the end of ing those of the Feldmühle 1980. The programme, the foreign interests, show an even largest Feldmühle has ever lower growth figure. Consoli- undertaken, is aimed at improv-

#### Shell Nederland Chemie optimistic THE HAGUE - Shell Neder- io 1978, it said.

a 2 per cent drop in operating contributed by the Hasselblad income to SKr 552m (\$129m). Camera Company was out-Mr. Bengt Duner, managing weighed by the losses from the

on sales of SKr 1.87bn. Trading SKr 3.8m, down from SKr 5.2m activities accounted for more a year earlier, due to a major

than 70 per ceot of turnover. drop in turnover. Hasselblad with the Ekman company— and the bouse-manufacturing

making up three-quarters of SKr 3.3m against a pre-tax loss trading income and hringing in of SKr 2.4m in the first four

nearly SKr 14m in pre-tax earn- months of 1978.

land Chemie is moderately Results for optimistic on 1979 results, Raffinaderij

the first quarter of the current ment was mainly due to stock year, hut gave no figures with appreciation following April and May showing a fur- group's first-in first-out "stock ther improvement after losses accounting method. of more than Fl 100m (\$49.5m) Reuter

Results for Shell Nederland optimistic on 1979 results, Raffinaderij continued to according to the company management.

The company made a profit in Fl 15m in 1978. The improve-

SMITHS INDUSTRIES LIMITED

Through a US subsidiary

Smiths industries inc.

Clearwater, Florida

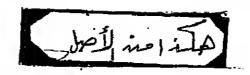
has acquired

Concord Laboratories Inc.

Keene, New Hampshire

SMITHS INDUSTRIES: manufacturers of aerospace, vehicle, marine, tubing, medical, airmoving and hydraulic equipment; car radio and siereo, liming products, ceramics and industrial instruments; and distributors of parts and accessories for vehicles and for industrial plant and machinery.

( صلدامند للصل



#### INTITL. COMPANIES and FINANCE

#### **Ewans** rejects 27m takeover from Repco

ROGERS IN SYDNEY

e major Australian
parts supplier,
aunched an A\$27m
takeover bid for the
hardware retailer,
mly to see it rejected
ediately. Last week
unced that McEwans rediately. Last week unced that McEwans unced that McEwans
ed a link with
Tire, the major
motor accessories

telegraphic follows three

authors shares and the market
their shares and the market
the shares and the mar ection follows three retailing, allied as it is with

equivalent to nearly it of the company's ver A\$10m. Family is interests associated McEwans chairman, 5 Luxton, are now in just over 50 per cent ital. This indicates o's approach seems failure, despite its yesterday that it has active in the market holds a 27 per cent

s offering A\$1.85 a It compares with asset backing of share, although this lieved to be conserva-McEwans' "friends" d to have picked up be expected,

activity in McEwans automotive interests—is a which turnover natural step for Repco and compatible with its skills in ware-housing and distribution," Repco directors said.

"Repco also regards the introduction of the Canadian Tire company into McEwans very favourably and considers the present expertise of man-agement within McEwans, allied with two large international companies, will provide an excellent platform for future growth."

Last week it was announced cqual to the highest that Canadian Tire bad taken an don the open market equity stake in McEwans through a convertible note issue. McEwans executives intimated at the time that further technology co-operation between the companies could

# Profits rise at Matsushita despite fall in exports

Industrial Company raised its first-half net profits by 17 per first-half net profits by 17 per cent to a record Y30.84bn (\$143.4m), at the parent company level, from Y28.35bn in the same period last year.

Sales for the six months to May 20 rose at the slower pace of 7.2 per cent, to Y806.02bn (\$3.7bn)—also a record—from Y751.60bn. The interlm dividend is uocbanged at Y5.

Operating profits showed a gain of 8.6 per cent to Y54.50bn, and Matsushita expects this rate of growth broadly to be main-

of growth broadly to be main-

profits to Y112.5bn, or some 9 video taperecorders, communication equipment, air-conditioners forecast to increase 7 per cent, to Y1,706bn.

Y1,706bn. Matsushita's first-balf exports

fell by 17 per cent to Y131.90bn
-as a result of the fluctuations in the yen in the foreign exchanges, import restrictions by some importers, and growing competition from newly industrialised developing countries,

the company said.

Domestic sales, on the other hand, rose by 14 per cent to Y674.10bn, with consumer demand said to be especially tained in the second-half, to demand said to be especially bring the full year's operating higher for colour television sets,

ducts totalled about Y358bn, for a gain of 2 per cent, those of a gain of 2 per cent, those of home electric appliances, increased 12 per cent to Y287bn, batteries and related products rose 10 per cent to Y41bn, while lamps and tubes gained 15 per cent to Y31bn, motors and related parts 12 per cent to Y50bn, and sales of other products 8 per cent to Y36bn. Profits per share were Y26.05,

against Y24.61.

# Interlocking holdings unwound

BY WONG SULONG IN KUALA LUMPUR

PACIFIC Credit and Central Securities cent stake in Central Securities, -two actively traded com-panics on the Kuala Lumpur Stock Exchange, which are con-trolled by the Malaysian businessman Datuk Loy Hean Heong and associates—have an-nounced a series of sales and purchases that would unlock their cross holdings and split them into independent groups.

The deal, apparently done at the suggestion of the Malaysian Government authorities, bas in-

DEVELOPMENT volved PDC selling its 32 per PDC group made a pre-tax profit of 7.48m shares of one ringgit each for 9.72m ringgits (U.S.\$4.5m) to Syarikat Cahaya Muda Perak. With the sale, Datuk Loy

and three of his associates have resigned from the board of Central Securities, leaving only one other associate, who will leave once full settlement has been made.
PDC will also sell to sub-

sidiarles of Central Securities its 2.9m shares of one ringgit each fn Landbang and fts 217.000 shares of one ringelt each in General Gomma, at par value. In return, PDC will buy from Central Securities and fis subsidiaries 20,000 shares of one ringgit each in PDC Management Sdn. Berbad, and 127.500 shares of one ringgit each in Elbipi International (S) Pte at par value.

But an extraordinary item of 5.5m ringgit gave the group a net profit after tax of 4.7m ringgit during the 16 months, compared with a profit of 970,000 ringgit for the year of 1977. The statement issued did

Pte at par value.
Together with the sale, PDC and Central Securities have also announced their results. The

of 3.5m ringgit (U.S.\$1.6m) for the first six months, ending March, compared with a pre-tax profit 1.6m ringgit in the previoua comparable period.

Most of the profits came from its subsidiary, Malaysia Borneo Finance, while the parent com-pany suffered a loss of 1.4m ringgit.

The Central Securities group made a pre-tax profit of 590,000 ringgit for the 16 months ending September 1978, compared with a profit of 4.1m ringgit for the 12 months ending May, 1977 accounting period.

not explain the computation of the 5.5m ringgit extraordinary

June 1979



# Nationale-Nederlanden D.Fls. 188,000,000

Multicurrency Term Loan

Orion Bank Limited

Bank Mees & Hope NV

The Royal Bank of Canada (London) Limited Westdeutsche Landesbank Girozentrale

F van Lanschot Bankiers (Curação) NV

Nederlandse Credietbank (Overseas) nv

Arranged by Orion Bank Limited



#### KONG BANK

# Change in the profits mix

by about 50 per cent , to reach some an analysis of group

rofits outstripped that Marine Midland Banks. Hongkong Bank of California, which has now been sold to

per cent. As Hong- Hong Kong banks keep their and in Cathay Pacific Airways

Banking Corporation's side Hong Kong was much om its own banking slower than within Hong Kong, excluding dividends it appears that the bank's lenddiaries and associates, ing in the Colony last year jumped even more rapidly than bank lending in Hong Kong in

iparison the HSBC PHILIP BOWRING, in Seng. solidated attributable Hong Kong, analyses the Other significant items in the officially announced brooks brooks our of HSBC group balance sheets officially announced undisclosed transfers profits breakdown of reserves) rose by 39
Hongkong and Shanghai
to HK\$726m, and
npany profit rose 38
Hongkong and Shanghai
Corporation,
Wardley Australia. which has this week A fail in profits of the r was thus the first lyears that the Hong-it's own growth in its bid to merge with A US\$4.2m profit from the

nose 35 per cent to per cent.

Secondly, it is believed the for the change of year. Firstly, Hong c advances grew by 45 ocerseas because of the decline compared with Hang of the Hong Kong dollar. Other the compared with Hang was a long to the decline of the Hong Kong dollar. Other the was up and in Cathay Pacific Airways.

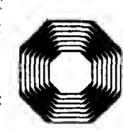
IONGKONG AND kong Bank's loan growth out-liquidity mostly in local currency assets.

Despite the Hongkong Bank's profit improvement last year, its return on total banking assets was still only about 0.5 per cent. less than a third that achieved by its very efficient, low expense subsidiary, the Hang

er cent owned Hang

C. Hang Seng profits general, which was up by 45 acquisition of Marine Midland rose 35 per cent to per cent.

Make way for the intended acquisition of Marine Midland Banks.



#### C.A. La Electricidad de Caracas

\$120,000,000 medium-term Euro-dollar loan

# **OVENSTONE INVESTMENTS**

(Incorporated in the Republic of South Africa)

#### ANNOUNCEMENT OF PROPOSED RIGHTS ISSUE

The directors of OIL propose that a rights issue of ordinary shares be made by OIL. An application will be made to The Johannesburg Stock Exchange and The Stock Exchange, London for a listing in respect of the new ordinary shares to be issued. The purpose of the Issue is primarily to provide capital for the continued e pansion of the group's international investments, held through Canadian Ovenstone investments Limited, for which the relevant permission has been obtained from the

In this regard investments have been extended to:

1. Australia, where an associated company is pioneering the development of the pelagic fishery as an extension of its existing tuna business, and

2. South America, where an already highly profitable associated company in Chile is engaged in an expansion programme in processed tish far human consumption. This incorporates the construction of canneries and freezing

These developments should compensate for the reduction in SWA/Namibian

The board of directors do not expect that the full benefit of the funds being raised will be experienced during the current financial year but enticipate that, subject to unforseen circumstances, profits for the financial year ending February 1980 should improve and it is envisaged that the final ordinery dividend will not be less thet 1,5 cents per share. (Total for the year 3,0 cents).

The deployment of funds in the group's international fishing investments will place it in a strong position to take advantage of opportunities in the international fishing industry and related ectivities on e partnership basis. Furthermore, the previous high level of earnings retention in the associated companies overseas should not be necessery and group policy, as regards dividend cover could be relaxed. This, together with the growth potential inherent in the international investments should enable the ordinary dividend to increase over the medium term.

That portion of the funds being raised, not immediately destined for the group's international investments, will be utilised to further Improve the group's financial

The issue price of the ordinary shares end the number of shares to be issued will be determined by the directors and will be announced in the press approximetely ane week prior to the opening date of the issue.

All ordinary-members listed as such on 20 July 1979 ("the record date") will be enlitted to participate in the rights issue and those members registered as being the holders, on the record date, of either 8.5 per cent convertible redeemable cumulative preference shares of R1 eech ("8,5 per cent") or 11 per cent convertible redeemable cumulativo preference shares of R1 each ("11 per cent") will elso be entitled to participate in the rights issue, in terms of the special rights and conditions ettached to these shares on the following basis these shares, on the following basis --

8.5 per cent For every 100 such shares held they will be entitled to participate as it they were the holders of 25 ordinary shares.

For every 100 such shares held they will be entitled to participate as if they were the holders of 80 ordinary shares.

The documents concerning the proposed rights issue ere in the churse of preparation and a further announcement will be made as soon as possible. It will be necessary for the authorised share capital of Oll. to be increased for the purpose of the proposed issue and a general meeting of members is to be held at 10h00 on 19 July 1979 et the Council Chember of the Cape Chamber of Industries, 5th Floor, Broadway Industries Centre, Foreshore, Cepe Triwn. A circular to members concerning this general meeting is being posted today.

If, for any reason, eny of the above dates are altered, members will be advised

BARCLAYS NATIONAL MERCHANT BANK LIMITED (Registered Merchant Bank)

#### FINANCING MANAGED BY:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK DEUTSCHE BANK COMPAGNIE FINANCIÈRE LUXEMBOURG

BANKAMERICA INTERNATIONAL GROUP THE ROYAL BANK OF CANADA (LONDON) LIMITED

#### CO-MANAGED BY:

THE BANK OF NOVA SCOTIA INTERNATIONAL LIMITED CRINDLAY BRANDTS LIMITED SFE BANKING CORPORATION LIMITED

SFE GROUP THE TAIYO KOBE BANK, LTD.

BANQUE EUROPÉENE DE CRÉDIT (BEC) MIDIAND BANK LIMITED SWISS BANK CORPORATION

#### FUNDS PROVIDED BY:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK DEUTSCHE BANK COMPAGNIE FINANCIÈRE LUXEMBOURG THE BANK OF NOVA SCOTIA INTERNATIONAL LIMITED GRINDLAYS BANK LIMITED SFE BANKING CORPORATION LIMITED

SFE GROUP THE TAIYO KOBE BANK, LTD. ALCENENE BANK NEDERLAND N.V. BANQUE CANADIENNE NATIONALE (BAHAMAS) LIMITED IRVING TRUST COMPANY

NORDDEUTSCHE LANDESBANK INTERNATIONAL S.A. THE TOYO TRUST AND BANKING COMPANY, LIMITED BANK MEES & HOPE NV

BANQUE EUROPÉENE DE TOKYO THE FUJI BANK, LIMITED INTERNATIONALE GENOSSENSCHAFTSBANK AG THE MITSUBISHI BANK, LIMITED . SAUDI INTERNATIONAL BANK

UBAF ARAB AMERICAN BANK

AGENT:

BANK OF ASIERICA NT & SA ROYCAN FINANZ AG

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CHEMICAL BANK THE BANK OF NEW YORK CAYMAN ISLAND CANADIAN AMERICAN BANK S.A. THE MITSUI TRUST AND BANKING CO., LTD. TORONTO DOMINION BANK

BANCO DE LA PROVINCIA DE BUENOS AIRES BANK-MORGAN LABOUCHERE N.V. THE DAIWA BANK, LIMITED GIROZENTRALE UND BANK DER ÖSTERREICHISCHEN SPARKASSEN AKTIENCESELLSCHAFT

LANDESBANK RHEINLAND-PFALZ UND SAAR INTERNATIONAL S.A. THE SANWA BANK LIMITED

Sofis Limited

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

This announcement appears as a matter of record only.

June 1979

A. -...

Indices

NEW YORK -DOW JONES

Day's high 848.84 low 836.97

STANDARD AND POORS

Ind. div. yield 🖫

Ind. P/E Ratio

MONTREAL

Lon Gov. Bond Vield

Industrial Combined

JOHANNESBURG

June June June June 28 27 96 , 25 High | Low

58.33 58.01 57.67 57.90 58.33 53.85 (27/6) -

Australio (\*) 576.55 \$79.82 | 597.68 | 545.72

Beiglum [1] 109.52 106.96 106.09 98.80

● Industr'is 845.64 849.52 857,66 644.25 84 9.19 845.94 678.72

30,540 36,760 34,840 31,438 66,530 07,210 -

5.97 S.01

industia ... 115.55, 115.48 t|2,78, t|6.29 t|6.84 1|6.80 |116.88 | 197.58 t|44.54 | 5.66

Composite 102,86 162.27 10 l.66 162.09 182.64 102.03 103.54 | 86,13 | 125.85 | 4,40 | 104.04 | 105.64 | 105.64 | 105.64 | 105.65 | 105.64 | 105.65 | 105.64 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65 | 105.65

June June June June High

TORONTO Composite | 1614.4 | 1611.6 | 1688.6 | 1806.0 | 1814.4 (26.5) | 1515.8 (2/11

Gold 300,5, 303.4 305.4 309.4 508.4 (25.6) Industrial 310.6 381.1 508.5 507.2 580.0 (23.5)

6.30 e.84

7.91 . 7.98

8.97 ....

June June June June June June 33 27 28 25 22 21 High Low High Low

June 22 | June 10 | June B . Year ago (appro

June 20 ( June 13 ) June 5 | Year ago (approx

8.26

5.07

2.11

8.58

1,883 1,885 668 673 897 865 488 447

Low

1272

# Wall St. takes oil price rise in its stride

INVESTMENT DOLLAR PREMIUM

\$2.60 to £1—34\", (35\",) Execute \$2.1690 12\", (12\",) BOLSTERED BY strength in

Dow Junes Industrial Average partially reacted to 843.04, for a net gam of 2.52, while the NYSE tions. cents up at a new 1979 elnsing peak of 858.33, after fouching 858.42, Trading volume further expanded 1.78m to 38.54m, while and some Computer sbares re-All Common Index finished 32 cents up at a new 1979 clusing mivances led declines by \$37-to- treated.

Analysis said the OPEC price increases were not as had as Wall Street's worst expectations, although they will accelerate inilation and increase the risk of a

recession this year. They also said that with the second quarter drawing to a close. Institutional inevstars were

sinn, but Wage and Price Cruncil \$681. chairman, Alfred Kahn, said the In the Basic Iodustries, U.S. IPEC price moves increased the Steel, Bethlehem Steel, Kenne-

estimated that price increases by eased. But Armeo rose \$2 to \$213.

**NEW YORK** 

Abbott Labs .... 341a AM International 141a Adobe Oil & Gos. 291a Aetna Life & Ca., 321a Ar Products... 301a Alcan Aluminium, 341a

Amer. Meters..... Amer. Nat. Res...

Amer. Standard.

Ampex ....... Anchor Hecking. Anhsuser Busch.

Asarro 185a 191a
Ashlond Oil 415a 40
At. Richfield 675a 661
Auto flata Pre. 327c 523a
AVC 111 111
AVC 23 297a

Sect n Oick nson 351; 331-Bell & Howell . 17 17 kg Bend x . 381s 381s Senguet Gons 8 5 3

8ristol Myers ... 33 ... 3314
8ril. Pet AOR ... 271 ... 2712
Brockway Glose ... 1512 ... 1551
8runawick ... 1514 ... 1515
8runawick ... 1514 ... 1515
8runawick ... 1514 ... 1514
Bucyrus Erre ... 22 ... 2218
8urington Nthn. 5474 ... 54
8urrough ... 7118 ... 705a
Campbedi Souo ... 3312 ... 3312
Canedian Pacilic ... 2914
Canal Randolph ... 1512 ... 1518
Carnation ... 2738 ... 2714
Carner & Gener ... 1112 ... 1112
Carter Nawley ... 1614 ... 1618
Calerpillar Tract ... 5311 ... 54
Celanose Corpn ... 4214 ... 4851
Gontral & S.W. ... 1514 ... 1514

Certainteed.....

Chrysler . . . Cinc. Milacien...

16% | 16% | 16% | 16% | 16% | 16% | 16% | 241 | 241 | 241 | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% |

The Administration also esti-Energy issues. Wall Street moved mated that unemployment would higher over a wide area in active trading, despite the increase in oil prices set by OPEC, But best levels were not always held.

After the close the Federal Reserve reported the U.S. Basic After rising 4.25 to 844.77, the Money Stock rose \$400m to the latest reporting week, well within the market's range of expecta-

Railroad, Financial, Gaming

added \$1 at \$531. Allantic Richfield S12 et \$674. S(aodard Oil (Indiana) S1 at \$65. Standard Oll (Ohio) S1; at \$55! Royal Dutch Petroleum \$1 at 873 active Louisiana Land and Exploration S1 at \$35; active Texaco Si at \$27; 20d Superior

Oil S9 at S430. Heavily traded Gulf Oil picked active in the market as evidenced up \$1 to \$27]—o block of 345,000 by a large number of block shares moved at \$27.

Chartes Schultze, chairman of Chartes Schultze, chairman of the Conneil of Economic Advisers, said it was premature to say the U.S. has entered a recession but More and Pair Committee and Pair Committee

nances of a recession.

Carter Administration officials and Alcan Alumbelum each

Stock

Control Data .....

Dena 2714 27
Dart Industries 591 3913
Deltona 1278 1214
Dentsply Int. 1819 1518

G.A.F. ... 11 1034 Gannett... 44 44

OPEC, including Thursday's action will add a percentage point to the inflation rate in 1979 Manhattae advanced S11 to S38).

Heela Misiog slipped Si to \$13!-it copsented to Rosario Resources, up \$11 to \$26, raising its Hecla stake to 19.94 per ceol. The American SE Market Value Index rose 0.68 to a record 200.77, 90d the volume to 4.45m

(4,22m) shares. Energy issues led the edvance. Volume leader Houston Oll and Miserals gatoed St to S211, Husky OII S21 to S511, Dynalectron \$1 10 \$111 and Great Basins

#### Canada

Petroleum \$1 to \$13.

Markets were generally mixed in fairly active trading yester-day, when the Toronto Index finished 28 up at a fresh record of 1.614.4.

The Oil and Gas Index advanced 20.5 to 2.861.5, Metals and Mincrals firmed 0.1 to 1.389.2 and Banks put on 1.05 to 307.26. but Golds lost a further 9.9 to 1.859.4, Utilities shed 0.32 10 237.26 and Papers eased 0.05 to 170.58.

Nat, Distillers ...., 231s 23

Polareid 3114
Potemac Elec. 15
PPG Industries 2852
Prector Gomble
Pub. 6erv. Elec. 215
Pullman 555
Purex 1653 255
Rapidheen 485
Republic 21eel 2672
Resorts tntl. 403

Market eased in moderately active trading as operators assessed the implications of the new OPEC oil pricing system and awaited the outcome of the

2718 25

Southern Railwy, 535a |
Southland 241g |
Sw't Bancshare 241g |
Sperry Rund 407a |
Sperry Rand 407a |
Standard Brand 253a |
Standard Brand 65 |
Std. Oil Induana 65 |
Std. Oil Ohlo 651c |
Starling Drug 161g |
Storage Technigy 3tudebaker Wor, 501 |
Sun Ca 6514 |
Sundstrand 876a |
Syntex 676a |
Syntex 676a |
Syntex 676a |
Southern Railwy, 535a |
Southern Railwy, 535a |
Starling Drug 407a |
Storage Technigy 365a |
Sundstrand 6514 |
Sundstrand 676a |
Syntex 676a |
Syntex 676a |
Southland 157a |
South

Tenneco ... 347<sub>3</sub> 341<sub>2</sub>
Tescro Petr'Isum' 165<sub>3</sub> 171<sub>8</sub>
Texaec ... 273<sub>2</sub> 265<sub>8</sub>
Texas Gastern ... 485<sub>4</sub> 481<sub>2</sub>
Texas Enstern ... 485<sub>4</sub> 481<sub>2</sub>
Texas Utilities ... 121<sub>2</sub> 101<sub>2</sub>
Times mirror ... 391<sub>4</sub> 29
Times mirror ... 391<sub>4</sub> 29
Times mirror ... 291<sub>4</sub> 29
Times mirror ... 291<sub>4</sub> 29
Trans ... 203<sub>4</sub> 20
Tran ... 420
Trans ... 203<sub>4</sub> 20
Trans ... 213<sub>5</sub> 273<sub>6</sub>
Transway intl ... 237<sub>8</sub>
Trovelers ... 321<sub>5</sub> 583<sub>4</sub>
Triconlinental ... 171<sub>2</sub> 171<sub>3</sub>

Triton Oil & Gas. 71g | 71g |

Union Carbide..... 8712 : 3758 Union Commerce 1314 : 1278 Union Oil Calil... 5738 : 3673 Union Pacific...... 6812 : 6818

sectors eased although Oils state aid.

#### Germany

Share prices were slightly firmer in a medium turnover. although operators in the early stages feared the Bundeshank Central Council might decide 10 raise the Discount Rate.

In Electricals, Siemens were merked up DM 2.1 to 246.6 aod AEG weot up 7S pfennigs to 49.50. In Molors, BMW rose 50 pfennigs to 187.50. Banks were higher across the board, with Commerchank up DM 2 to 192 and Deptsche Bank

DM 1 to 268. On the Domestic Bond Market

Mark Foreign Loans firmed up

#### Amsterdam

Movements were mixed to tower, with Royal Dutch up Fl I in otherwise mainly tower Dutch Joternationals.

Banks declined, with Algemene Bank Nederland losing Fi 2.50 and Middenstand Benk Tokyo Summit. Fi 1.50. Ennia fell Fi 1.80 and Oils and Metals. however, Oce-Van der Grinten Ft 5. Eut

8P Canade...... 2812 | 29::

Pan CanPetrol'm 60 60 an armonic for following following

151<sub>2</sub> 147<sub>8</sub> 201<sub>4</sub> 245<sub>9</sub> 26 214<sub>1</sub> 141<sub>9</sub> 38 8.531<sub>2</sub> 38 451<sub>4</sub> 381<sub>8</sub> 111<sub>8</sub> 1.88

CANADA

firmed, while Banks, Insurances, Properties, Investments, Department Stores and Coemicals were mixed.

Among Foreign stocks, most Scriuss eased although Oils Stores and Pakhoed each gained and Pakhoed each gained Properties were mixed, with Suo Hung Kal Properties losing Stores and Pakhoed each gained Properties were mixed, with Suo Hung Kal Properties of the Sun Hulebison Properties added 50 cents at State and

State Loads were mostly

#### Brussels

Belgiao shares were mixed in quiet tradiog. In Foreign stocks, UK and Germans were little changed, Dutch, Canadians and Freoch higher, U.S. steady. Gold Mines were little changed.

#### Milan

Mixed in quiet tradtog. Bonds were quiel.

#### Switzerland

Prices were sleady in moderate trading with Higher OPEC oil prices having little impact on the market, although inflation fears were a restraining factor. Banks were mixed. In Financials. Moevenplek rose after the proposed capital increase. Holder-

hank. Forbn "A" and Interpen each pointed higher. Insurances gained ground, ted by Helvetia Participation Certi-

ficate and Baloise.
Alusnisse and Solzer rose io Metals and Engineerings.

Domestic Bonds firmed and Foreign Bonds were particularly strong on good demand from

In the Foreign sector, Germans cdged lower and Dollar stocks traded slightly below overnight New York levels, while Evergy related issues rose.

#### Hong Kong

The market closed mixed. Afternoon trading was active to 83 cents. after a quiet morning with most activity local. Interest centred on special situations.

Hoogkong Bank lost 30 cents to HKS12.70 following its improved offer for Marine Mid-

land Banks.
China Engiocers continued active and rose T1 cents 10 \$3.35, while awaiting further developlocats regarding Sime Darhy

NOTES: Oversass prices shown below exclude S premium. Selgien dividends ere aller withhelding tax.

4 OM 50 denom, unless elherwise slated, yields based on net dividende Pte 500 danem, unless otherwise stated. 2 OKr 100 denom, unless otherwise steled. & 5wFr 500 denom, and Seerer chares unless otherwise etated. \$ 750 denomunless otherwise etated. \$ 750 denomunless otherwise eleted. \$ Price at time ot suspension. e Florins. b Schillings.

**AMSTERDAM** 

c Cente, d Olvidend elter pending

rights and/or scrip issue. e Per chara-f Francs. g Gross div. 5. h Assumed dividend after scrip end/or rights issue. A Alter local taxes. m % tax free. divigenu sissue. A Aller local texes. m % tax mes. n Francs including United div. p Nom. 4 Share split. s Drv. end yield exclude special peyment. t Indicated div. u Unofficial trading. v Minority helders nending. Asked. u Dremcial treding. v Mindrity helders only. v Merger pending. \* Asked. 1.9id. § Traded. ‡ Setter. z Assumed. or Ex rights. xd Ex dividend. xc Ex acrip issue. xe Ex all. A Interim eince increessd.

Komateu 522
Kubota 274
Kyoto-Ceramic 3270
Matsuehita Ind. 677
Mitsubishi Bank 338
Mitsubishi Hevy; 162
Mitsubishi Hevy; 162
Mitsubishi Corpi 462
Mitsubishi Corpi 462
Mitsubishi Corpi 600
Mitsubishi Corpi 600
Mitsubishi 600
Mitsubishi 600
Mitsubishi 600
MipponBhimpan, 600
Missan Motors 690
Pioneor 1,290
Sariyo Eloct. 355
Sekisul Pretab. 717
Shiseldo. 1,000
Sony 2,030
Taisho Marine 240
Takade Chem. 150
Tollin. 136

BRUSSELS/LUXEMBOURG

Olv.

Juna 28

| Industria | 343.64 849.52837.08 | 644.25 | 545.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187.55 | 187 \$11.40.

#### Tokyo

Prices closed lower for the first time in four sessions as late profit-taking and liquidations in front-running Energy issues pared sarly gains. Volume 370m.

(500m1 shares.

The OPEC two-tier oil price system hardly affected the market, which had already discounted higher crude prices. Teikoku Oll fell Y17 to Y883

oo urofit-taking despite its natural gas find in Northern Japan. Arablan Oil lost Y270 tn Y5.100, Nippon Oil Y40 to Y1.50 and Mitsui Mining Y23 io

Electric powers also fell, with Tokyo Electric Power losing Y21 to y937, but "small-sized" Steels, and some Export-Orientated issues advanced. Manushita Communication rose Y50 to Y1,890, TDK Etectronies Y10 to Y1,710 and Nissas Motor Y10 to Y690.

#### Australia

Rumours of an nil strike off Western Australia by a group in-cluding MIM hastened the rush for Resources stocks after the announcement of the OPEC price rises and details of the Govern-ment plan to cut Australia's oil consumption.

After trading ended MIM, up 15 cents to \$A3.25, announced a non-commercial gas bearing zone had been encountered in the Jupiter one well in which it bas

a 20 per ceot interest. BHP gained 20 cents to SAS.94 and Woodside Petroleum 5 cents

Bank of New South Wales firmed 3 cents to \$3.55 and ANZ 2 cents to \$4.55.
Gold sbares were mainly weaker.

#### Johannesburg

Gold shares were generally casier in quiet trading, reflecting lower bullion prices. There was Holdings' rumoured offer for the fair selling from New York.

Denmark |\*\* 84.31 | \$4.21 | \$7.22 | \$8.32 | \$1.51 | \$1.51 | \$1.52 | \$1.53 | \$1.51 | \$1.51 | \$1.52 | \$1.52 | \$1.53 | \$1.53 | \$1.53 | \$1.54 | \$1.54 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1.55 | \$1 THURSDAY'S ACTIVE STOCKS Indices and base dates (so base values 100 except NYSE All Common—

Gulf Oil

Standards sono the last named 5 terling Orug ...

Spain (4) 98-47 98-89 111-96 94-04 (8/3) 112-1 Sweden (4) 556,47 84-5.79 401-54 538-3 (8/3) (8/3) (25.6) Switzerid(/) 208.7 308.9 329.1 294.0 (8/5) (3/5) (3/5)

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GERMANY ◆   TO			TOKYO 1				AUSTRALIA			STOCKHOLM						
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Illenz Versich			51,2		Casio	711	٠	26	1.8	AGMIL (26 cents)	t0.98		ASEA(Kr.et)	.66		7. 3
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yer-Hypo	242.5				Honda Motors	540	+1		1.7	Assoc. Minerale	+1.65	1	Cellulosa	9738	+2 11	
y. Voreinsbk			.28.12	5.5	House Food	876	·		2.0	Assoc. Pulp Paper \$	11.80		Elec'tux'B'(Kr54		+1 6.2	<b>15</b>
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rton	185	-0.8	9.37	3.8	Mitsukoehl	452	_1		9.9	CSR(S1)	11.34		ACIAD (IV) OCA	/2_:·	+ 1.5	
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rstadt			25,44		Nippon8himpan,	600		12		Coles IG.J.	†3.48					
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Juns 28 Par cent

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#### **BASE LENDING RATES**

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American Express Bk. 14 "	Julian S. Hodge 15 📆
A P Bank Ltd 14 %	Hoogkong & Shanghai 14 📆
Henry Anshacher 14 %	Industrial Bk. of Sent. 12 15
Associates Cap. Corp 14 %	Keyser Ultmann 14 %
Banco de Bilban 14 %	Knowsley & Co. Ltd 15 20
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Bank of N.S.W 14 15	Edward Manson & Co. 15 %
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Barclays Bank 14 %	National Westminster 14 %
Bremar Holdings Ltd. 15 %	Norwich General Trust 14 %
Brit, Bank of Mid. East 14 %	P. S. Refson & Co 14 %
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Lanada Perm'i Trust 14 %	Ryl. Bk. Canada (Ldo.) 14 %
Cayzer Ltd 14 0	Schlestoger Limited 14 %
Cedar Holdings 14 %	E. S. Schwab 15 %
Charterhouse Japhet 14 %	Security Trust Co. Ltd. 15 %
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Consolidated Credits 14 %	Trade Dev. Bank 14 %
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#### acial Hones Friday Jane 29 1979 COMMODITIES AND AGRICULTURE

IN COFFEE frost ded further yesterday another mild night. onal Weather-Departi evernight tempera-Wednesday remained frost levels with the in north Parana, the ost Brazilian coffee-

ces were described as market yesterday. e buying prompted by hart patterns and buyw York lifted the Sep-notation to £2,995 a e stage before closing

rea. recorded at 10

the day at £2,082.5 a prices moved ingher terday in response to concern about the in Ghana. rket initially lost up to

e against the attength and the lower over-

# Oil rise hits UK bacon prices up again

ing began in the morning, mainly on the continuing strength of sterling and reductions in U.S. markets overnight. Demand for the metal in West Germany prompted a recovery later, but the decline resumed as the ofl ministers came to agreement.

Three months wirebars lost 532 on the day, closing at 5887.75 a tonne and cash metal alipped £31.25 to £850.75.
The impact on the vin market was less marked, however, the continuing shortage of nearby supplies of the metal and a modest upturn in Eastern markets combining to hold prices

in New York. But it. Spot price for standard grade in following news that ging directors of two while three months metal fell state corporations had £5 to £7,135. Dealers in Knals 1.500,000 carats sted. Lumpur said supplies ag tin diamond stones.

steadier.

COPPER prices fell sharply on the London Metal Exchange and buying from Japan.

world economic prospects in the wake of the oil price increases agreed by OPEC ministers in aluminium prices, resulting mainly from speculators selling, cash metal lost fill 5 or the day, to close at £691.5 a tonne, while three months aluminium was at £697.5 a tonne. Platinum values also declined during the day, following the trend in the gold market. At the afternoon price fixing the metal was down 16.80 (\$12.50) 8t £191.70 (\$415.50) a troy:

> In Washington, the Senate Armed Services Committee ten-tatively scheduled for July 10, hearings on legislation provid-ing for the disposal of quan-tities of stockpiled tin, silver and industrial diamonds,

reports Reuter. The legislation The legislation was intro-duced last Monday at the request of the Administration. The Bill provides for the sale of 10,000 long tons of tin, 15m troy ounces of silver and 1.500,000 carats of industrial

# EC deal worth \$5bn to farmers

RGARET VAN HATTEM IN BRUSSELS

'ACT of last week's e settlement on the means farmers will get \$5.189bn green devaluations, turn the get—an extra \$1.8bn more and consumers will lose to the EEC Commis- \$5.939bn mors. But the actual not the whole story, transfer of resources varies to a new set of inde- widely from country to country. imates, the result of will be to transfer the higher cost to consumers on from consumers more than offsets the gain to within the Comfarmers because both countries

\$1.7hn of which only All go to British EEC budget. timates have been

by Tha Economist ion with Prof. Stefan nn of the Goethe in Frankfurt, and this week's edition of

w that as a result and inwer consumption. - year's price review.

For both Britain and Italy, are major importers of temperin, consumers will pay ate foodstuffs.

In Britain, the prices pack-age, together with the 5 per fost of the rest goes cent green pound devaluation priced food imports approved in March, means a 12 per cent price rise for fainers a rise in farm incomes of \$1.305bn and a rise in the food

bill of \$1.764bn.
The figures imply an immediate loss to the balance of payments, which may be recomped within two to three years by expanded British production

et's 1.5 per cent com-rise for all products mann, this will cut UK national together with changes income because consumers lose income currency rates more than farmers gain. The volume of imported food will r prices in national drop but the cost of imports will will rise by an nevertheless rise, less than 1 per ce per cent in 1979-80. EEC price rises, whether by more or less even.

For the EEC as a whole this common price rises nr by terms of trade against Britain.

For Italy, the other large food importer in the EEC, the picture is even worse. Italian farmers get an effective price rise of 11.5 per ceot, a \$1.656bn boost to their incomes. But Italian consumers will have to pay an extra \$2.265bn.

France, on the other hand, gains from the settlement because it is a major exporter. Its consumers will have to pay an extra \$1,731bn for food but its farmers, whose prices rise by g.7 per cent, will get an extra \$1.984hn Denmark, another

exporter, also does well. Although its farmers' prices rise by only 1.3 per cent, they get an extra \$68m while consumer bills rise by only \$33m. Similarly Ireland, with a

1.4 per cent price rise, gets. \$35m more for farmers at a cost of only \$18m to consumers. Germany and the Benelux countries, with price rises of less than 1 per cent, come out

Moreing: Three months E704, 3, 1, 599, 95, 97, 96, 97, 98, 7700, 2, 1, 2, Kerb: Three months E702, 3, 538, 87, Alternoon: Cosh £594, three months £583, 99, 700, 689, 98, Kerb: Three months £693, 69, 88, 87, 68.

NICKEL—Exster. Alter opsning at £2,770 lorward rottal [81] 10 £2,740 owing 10 the intial rise in starling, od buying in the rings saw the price rally to shound £2,800 by the etaingoon but profit-taking prompted 5 close on the late kerb of £2,770. Lurnovar 420 tonnse.

Spot ..... 2770-80 -15 2785 a0 -27.5

Morning: Three months £2,760, 55, 70, 75. Alternoon: Three months £2,770, 2,800, 2,790, 95, 2,800. Kerb: Three months £2,770.

\*\*Centa per pound. ‡ \$M per pleaf.

Silver was fixed 0.0p an ounce lower for epot delivery m the London builton marker yearerday at 393.40p. U.S. cent equivalents of the fixing levels were spot: 852.8c, down 10.4c; three-month 872.1c, down 10.1c; sis-month 891.4c, down 12.month 925.7c, down 7.6c. The metal opened at 394.395p (896-888c) and closed at 3891, 3901, p. (846-847c).

SILVER Bollion of or L.M.K. for frame price

LMS—Turnover 174 (128) lets, of 10,000 exs. Morning: Three months 405.5, 5.3, 5.7, 5.3, 5.1, 405, 4.2, 4.8. Kept; Three months 404, 4.2, 3.8, 404, 4.5. Altertoon: Three reoriths 402,

By Our Commudities Staff BACON PRICES will go up again in the shops next week following the announcement yesterday. The Danish first-hand price

The Danish first-hand price was lifted £30 to £1,180 a tonne while British and Ulster prices rose £25 to £1,120 a tonne. The rises are equal to about 1p a lb when averaged over a com-

pleto side. A spokesman for ESS-Food, the Danish bacon importer, said the Danish price rise was partly in anticipation of reduced EEC subsidies ful-lowing last week's farm price deal

But he said an equally important factor was the aftermath of the recent Danish dock strike. There was still a shortage of containers tn ship bacon tn Britain, and shipments were still running behind schedule.

#### Petrol fears hit rubber

By Our Commodities Staff

FEARS ABOUT: the impact of oil price rises on petrol con-sumption in motor vehicles and the effects of rising production prompted a sharp drop in natural rubber prices in the Far East yesterday.
Prices on the

Physical market also fell. The ex-warehouse price in Malaysia dropped 5 cents to 287 cents a kilo, while in London the spot price for Number 1 RSS rubber fell 1p to 61.50p a kilo. Forward prices also dropped Ip.

#### **Wool prices** remain firm

By Our Commodities Staff WOOL PRICES remained firm at Australia's Adelaide, Sydney and Freemantle auctions yester-

At Adelaide, the trade bought

96.5 per cent of the 9,374 bales offering. Of the 10,764 bales offered in Sydney, 90.5 per cent was bonght by the trade, I.5 per cent by the AWC and 8 per cent was passed in. At Free-mantle, trade buying accounted

for 85 per cent of the 13,256

bales offered, the AWC bought

1.5 per cent and 13.5 per cent

FARMLAND

apparent.

fixing.

# Rents outstripping profits

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

WHILE SOMETHING like half the farmland of Britain is tenanted the level of individual rents has been a fairly well-kept secret. For some time, though, rents have been rising and while individual holdings still cannot be identified, marked trends are becoming

The latest information comes The latest information comes from the 1978 rent inquiry by the Ministry of Agriculture and its advisory arm, ADAS. The average rent of all farms rose by 18.5 per cent between October 1977 and October 1978. Only 37, per cent of the farms in the survey had a rent change over the period but here the average charge increased by the average charge increased by 54 per cent from £31 to £4g a bectare in percentage terms the latest increase has been the steepest rent change since 1970, when it was no more than 16

The rents do reflect land quality to some extent. Farms in the North have been averaging £31 a hectare and £58 in the East. But the percentage increase has been much the same throughout the country. There are great variations in rent levels and these appear to depend on the method of rent

Most rents are sgreed between landlords and sitting tenants. These have complete security subject to carrying out farm is their egreements, and their market.

families also have rights of It is not certain that all succession. These still appear to have the lowest rents, the letter, but in the 18 arbitration sverage being about 548 a cases reported in the survey, bectare and they represent more rents increased by 38 per cent than 90 per cent of all rent In the light of this evidence.

ing to the survey, show marked increases over those of sitting tenants, in some cases running

rent increases has been the com-paratively small number. If farms which have been either let by open tender to new tenants or where the landlord tenant have appealed to arbitrators to decide the rents.
Only 54 farms in the sample ont of 8,400 were let by tender. and the rent fixed averaged £103 s hectare and represented an average rise of 21g per cent. This, of course, reflects the scarcity of farms to let, and the determination of the large which wou number of prospective farmers irrelevant.

agreed on the open market between the landlord and tenant

to get into the Industry.

changes most sitting tenants try to reach most sitting tenants try to reach second-rented farms change hands such lords.

Year, and the new rents, accord-

Tenants tell me that at the start of negotiations, which can take place every three years, some agents used the threat of up to 96 per cent.

An important influence on criteria in order to get agreement.

> Farmers are not happy about this arrangement, and the NFUwould like some alteration in the formula based on the productivity or profitability of the type of farm. They argue that the tendered rents are based on a sort of "key money" principle and that many farmers tendering bave other land over which to average the increased rent, or have other resources which would make their rent

This is undoubtedly true, but The importance of these short of bolding an inquiry into tendered rents far exceeds their the circumstances of each tennumber because under the 1958 der, it is difficult to see what Act the instructions to arbitra- could be done. The farmers' tors laid down that the criteria case has been weakaned by the for their award would be a rent fact that tendering has been going on for about 15 years. Reports of rents bid have been, forecast, but rarely strikes:

The rent rises seem to heve mon Market entry. From 1970-71 to 1972-73 the annual overall rent increases averaged no more than 5 per cent. Since then

Somehow they have been

they have averaged 18 per cent, which means effectively doubling every five years. Can they go on increasing at the present rate? Land prices are rising, and at £2,000 a hectare for the best let land, rents by tender of £100 a hectare do not show more than 5 per cent return.

This represents about 25 per cent of sverage gross return from the main arable cropa excluding potatoes and best which are of limited acreage. Other costs are rising fastlebour, machinery, fertilisers

and sprays — all of which are largely ontside farmers' control. The same applies to dairy farming.

Price rises are not increasing at anything like the same rate, Even ofter last week's Luxembourg review and a double "green pound" devaluation, there was only an 11) per cent increase in rereals and sugar beet, very little on milk and nothing certain nn pigs and poultry. If this trend conlinues, farmers' easy acceptance of rent —a fair indication of what a in the eyes of the neighbours, increases on the immediate farm is worth on the open astronomical, disaster has been past scale could well change to

# Drought threatens Botswana beef

BY QUENTIN PEEL IN GABORONE

Botswana, where maize and been cut to 15 per cent of ments commercially, mostly in normal levels by widespread South Africa, tt has appealed to dronght.

mainstay of Botswana economy. with balf its beef exports going to the European Community, could also be drastically affected if the drought persists.

A national drought emer-

geney was declared at the begin-ning of June by the President, Sir Seretse Khama, to mobilise drought relief to the worst affected areas. With the annual harvest now completed, only 15,000 to 16,000 tons of cereals have been produced, compared

PRODUCTION OF cereals in sumption of 200,000 tons. While Botswana expects to Botswana'a relief requirements sorthum are the staple diet, has buy its normal import require- to grow.

Abricultural advisers fear the make up the exceptional short or five good years country's cattle industry, the fall. Its difficulties come on top Surface water in s of serious food shortages throughout Southern Africa, with Zambia needing some 200,000 tons of maize, Mozambique importing heavily and South Africa's traditional sur-

around 100,000 tons, and con- in this semi-desert country. If ing areas.

that happens they expect The cattle population is cur-

South Africa, it has appealed to rently at an all-rime high of hathe World Rood Programme to tween 3.5m and 4m after four Surface water in some areas

has already been exhausted, at the very start of the traditional dry season, and first reports of cattle deaths have already been received in the capital.

Botswana's caltle industry plus much reduced by the low has already been seriously hit by the outbreak of foot and mouth disease in the north in are keen not to over-emphasise 1977, which resulted in a susthe emergency at present, pension of all beef exports to because they believe there is a the EEC. Exports from the real danger of a prolonged area of the outhreak have still drought lasting several years not been resumed, and they are with an annual average of which is the traditional pattern also restricted from neighbour-

#### Traders expect bigger Indian cotton crop

BOMBAY - India's cotton production will reach a record 7.8m to 7.9m bales of 170 kdkrs in the year to August, trade sources said here yesterday.

A preliminary official fore-

cast put the crop at 7.6m to 7.7m bales against 1977-78 output of 7.1m bales. Most of the 1978-79 crop has

been marketed, except for the southern producing state of Tamil Nadu which has two cotton crops in the year and Karnateka, where power cuts have halted cotion gining. ·Preliminary reports suggest coitin plantings for the 1979-80 season, now under way in northern and western India, have risen five to seven per cent in the Punjab, Haryana and Northern Rajasthan region which produces about 30 per cent of the country's colton.

#### ISH COMMODITY MARKETS

Sharply lower so the all Exchange. After opening 75 owing to the downture American mercets lorwerd wither to 1867 reflecting the gib of exerting. However, a the latter coupled with buying interest lifted the yed £877. Thereafter values reflect following the OPEC grempted a week opening with lorwest matel hero

£ 2 . E

TIN Official - Unofficial -7980-90 -5 7950-70 +2.5 menths 7110-20 -17.5 7100-40 -5 Settlem t 7990 -0 -0 Saratts 5. 221994 +9 356-7 - 18.5 847-5-0 854 - 28 - 28-99-35-1

Three month Copper 861.8-869.2 x Limited 01-351 3466. t Road, London, SW10 0HS. ax-free trading on community intures. he commodity futures market for the small investor.

CORAL INDEX: Close 468-473

#### INSURANCE BASE RATES

Vanbrugh Guaranteed ...... 121% didress shown under Insurance and Property Sond Table.



and information:

DEN VER

Barl of Ancieter, 2. Mildland Bank 3 West Smithfield

# **LOOK TO YOU** We come from both world wats.

We come from Kenya, Malaya, Aden, Cyprus... and from Ulster. Aden; Cyprus... and non class
From Recping the peace no less
than from war we limbless look to
you for help.
And you can help, by helping
our Association. BLESMA (the
British Limbless Ex-Service Men's
Association) looks after the

limbless from all the Services. It helps, with advice and It helps, with advice and encouragement, to overcome the shook of losing arms, or legs or an eye. It sees that red-tape does not stand in the way of the right entitlement to pension. And, for severely handicapped and the elderly, it provides Residential. Homes where they can live in peace and dignity.

Help BLESMA, please. We meet money desponsably. And, we promise you, not a penny of it will be wasted.

CLUBS

EVE has outlived the others because of a golicy of fair may and value for mosey. Support from 10-3.30. Disco and free huntities, exciting finer thors, Gismocous hosteness. 123, Regent St., 34 9557.

Amsigamsted Metal Trading reported physical business prompted a close on 2.3, 2.5, 402, 1.8. Keib: Three months rest nil), Millett 62.84, rest nil [62.84, het in the morning ceeh wirebare the land kerb of 67,130. Turnover 1,305 401.5, 1.5, 1.8, 402, 2.5. COCOA

was passed in.

COCOA Close - Dune July 1594-1598 +0.5 - 1598-1578 Sept. 1627-1886 +19.5 1038-1910 Dec 1683-1894 +3.0 . 1703-1882 Mareb 1789-1730 +5.0 1735-1715 on the Lite said. | or p.st. | or LEAN Official | Unofficial | 1789-1705 + 2.5 1757-1742 1770-1770 + 4.0 1771 1790-1712 + 2.5 1790-1775 Ssiss: 2,305 (2,627).
International Cocos Organisation
(U.S. cents per pound): Gelly price
June 27 158,02 (156,53). Industror
prices for June 28: 15-dsy sverage
157,22 (157,37); 22-dsy sverage 157,39

Morning: Three reenths 1582, 83, 79, 78. Kerb: Three reenths 1578, 77. Aftermoon: Three months 2575, 76, 75.5, 77. 78, 78.5. Kerb: Cash 1805, three months 2578, 78.5. LINC Easier in dull and routine trading with lorward metal Besing Irom 1352 to close the late kerb at 2350. Turnovar 5,800 tonnas. COFFEE Yesterday'a + er Business Done COFFEE PPEs 2 per tampe Official Cuckeral July 2032.35 +0.0 2040.29
September 2082.85 +18.0 2095.50
November 2095.58 +23.5 2103.75
January 2097.21 +21.0 2114.84
March 2080.88 +24.0 2093.70
May 2072.80 +17.5 2090.85
July 2070.78 +12.5 2085.74 

Moming: Three months £353. 52. 51.5, 52.5, 52. 51. 50.5, 51. Kerb: Three months £351. Altsmoon: Cash £340.5, 40, three months £350. 51. Kerb: Three months £350. 51. Kerb: Three months £350. ALUMINIUM—Fell heavily on Jresh apeculative and chartist salling which depressed lorward metal from £710 on the early pre-market to the day'e low of £367 on the lata kerb, despite trade support buying. Tumovar 4,350 tonnes. Sales: 11,243 (8,767) lots of Stennes.
ICS indicator prices for June 27 (U.S. cents pet gound): Other Mild Arsbicas 205,17 (203,57): Robustes ICA. 1976 (203,50 (201,50): ICA 1988 204,00 (207,50): Celombian Mild Arsbicas 212.0 (207,9): Unwsshed Arsbicas 200,0 (199,0). Comp. darly ICA 1988 204,36 (202,45).

GRAINS

The market opened 15-25 lower but lound steady hedge selling which triggered off speculative stop lose orders and values dipped to 65 lower when commercial buying locad values back to 40 lower. Purifier hadge and country selling returned to the market and values retreated to close between 75-90 lower with further hedge selling noted in September wheat. There was more interest, Irom buyers los wheat this barley during the two sessions, reported Acit.

Sapt. 91.70 -0.9 87.70 Nov. 95.35 -0.35 91.50 Jag. 99.55 -0.35 90.60 Mar. 102.90 -0.75 103.25

May...; 100.40 i=0.75 102.25 =0.79

Businese done—Wheat; 5ept. 82.15-81.75, Nov. 98.10-95.36, Jan. 100.10-99.50, March 103.30-102.80, May 106 60-106.35, 3alest 255, Barley: Sept. 88.05-87.70, Nov. 92.10-81.50, Jan. 96.10-95.80, March 103.30-102.80, Jan. 96.10-95.80, March 99.35-98.90, Mey 102.50-102.30, 5elest 242

JMPORTED—Wheet: CWRS No. 1 132-ps; cant, unquoted; U.e. Dark Novthein Spring No. 2 14 par cent, June 106, July 104.75, Aup. 106.50, transhipment East Coast: U.S. Hard Winter 132-per cent, Aug. 107, quoted transhipment East Coast: Set unquoted. Matze: U.S./French July 109.50, Aug. 112, transhipment East Coast: South African Yallow Aup. 82, nominal. Barley: English faed lob Det.-0ec. 94, East Coast. South African Yallow Aup. 82, nominal. Barley: English faed lob Det.-0ec. 94, East Coast. Sorghum: U.S./Argantine unquoted. Oats: Scandmavian Feed unquoted. Oats: Scandmavian Feed unquoted.

HGCA—Location ex-larm spot. prices: Feed barley: N. Lincoln 89.00, Hents. and W. Sussex 89.20.

The UK mehatary coefficient for the week beginning July 2 is expected to degreese to 1,178: week Degrammy July 2 is expected to decrease to 1,78.

EEC IMPORT LEVIES—The following levies and prereiums are affective for June 29. In order current levy plue July, Aug. and Sept. Promistrs, with previous in brackets. All in Units of Account per tonne. Common wheet: 70.14, rest nil (88.27, rest nil). Rurum wheat: 123.24, rest nil; [123.34, rest nil]. Rys: 75.11, rest nil (75.11, rest nil). Sarley: 75.29, rest nil (76.29, rest nil). Osta: 86.82, rest nil (85.82, rest nil). Second (char than hybrid lof sesding): 75.97, rest nil [73.83, rest nil). Buckwhest; 4,06, rest nil (4.06,

nii (78.80, rest nii). Flour lavise: Whei or mixed wheat end rye 2our: 112.9 (110.35). Rys flour: 119.93 (119.93).

RUBBER:

EASIER OPENING on the London physical market. Feir covering orders at lower levels, closing quiet. Lewis and Peat raported a Maleysian godown price ol 287 (292) cente a kilo (buyer, July). No. 1 Testerday's Previous Business R.S.S. Close Close Pooce

Physical closing prices (buyer) were: Spot e1.50p (62.50p); August 56.25p (67.25p); Sept. 86.75p (67.75p). SOYABEAN MEAL The London merket opened with losses of 4 on continued long liquidsuon, reported 7. S. Roddicks. Late in the session step-loss selling put prices limit down at which level commercial

August 156.80.61.2 6.19.154.50.50.90
October 182.80.55.2 5.10.785.90.82.90
December 154.80.54.4 4.3 156.90.53.70
Pebruary 155.70.56.9 4.10
April 156.50.58.0 4.0
June 158.60.29.5 4.0
Ang 158.50.41.0 5.25

LONDON BARLY PRICE [raw sugar]:
FIGLO (FIGLO) a tonne cil for MayJung ahipment White augar daily price
was f105.0 (f104.5).
Buy-at-best orders at the opening
litted pricas some 25/50 points shove
kerb levela but their was no lollowthrough on the upside and the advance
halled. Later, erbitraga selling
developed which found only scattered
support scale-down and the merkal
closed at the Lowe, of the doy some 90
points below the best levela, reported
C. Czarnikow.

C. Czarnikow.

Sigar
Fret | Yesterday's Frevious Business
Lumm. Cluse Close Bone 

Salea. 2.335 (1,932) lors of 50 tonnes. Tare and Lyle sa-relianty price for granulated basis white sugar was £279.50 (asma) s tonne for home trade and £772.0 (£171.50) for sxport.

International Sugar Agraement (U.S. cents per pound fob and stowed Caribbean pourt. Prica for June 27. Oddy price 6.36 (8.35): 15-day average 8.18 (8.14) 11.00-11.70. 21; Nov. 110.00. 110.50. 111.00-110.70. 21; Nov. 113.95, 114.00, 115.00-114.00, 65; Fab. 121.00, 122.15; 122.05-127.10, 62; Apr. 128.00, 128.50, 128.00, 105 pept. 121.00, 133.00, nil; Nov. 134.00, 137.00, nil. Ssles: 133.

WOOL FUTURES

LONDON GREASY—Close (In order buyer, seller only). July 218.0, 228.0, 0ct. 218.0, 233.0; flec. 218.0, 238.0; March/Msy/July/Oct./Dec. 228.0, 238.0, Selest Nil.

NEW TEALAND CROSSREDS—Close in order buyet, seller only! July 13 296.0, 0ct. 159.0, 298.0; 0sc. 152.0, 200.0; Msrch 191.0, 200.0; Mey 192.0,

#### PRICE CHANGES

Aluminium .....£710/50 ......£710/50 Free Mkt|es/\$1,530/59 ......\$1,880/20 

Coconut (Phil). \$1,155/ -25 \$1,095 Seeds ! Copra Philip....'5750 SoyabbantU.S.) \$350.45 Grains Barley Futures £91.00 -0.35 289.25 French No 3 Am £209.5 £111,1 .... £107.5 Other commodities | 1,752.5 | +ILe 21,792.5 | Future Sept. 121,527.5 | +10.5-21,707.5 | CoffeeF trSep 22,082.0 | +10.0-21,529.5 | Cotton A'index 70.35c | -1.05-274,10c | Rubber Kile 5...61.50p | +1.05-26.60p | +1.05-

Nominal. † New crop. ‡ Unquoted. p August. r July. s July-Aug. s Juns-July. a June. w Sept. y Nov. z Indicator. § Buyer.

Liverpool—No spot or shipreent selez were recorded, leeving the total for the wank so far et 124 tonnes. Suamess semained very slack with lew spinners in the mood to enticipate their torward needs. Replenishments were stre and the cell for supplies was limited to minor quentiuss in a number of amwiths.

GRIMSBY FISH—Supply Deed, damend good. Pricsa par atone at ship's side (unprocessed); Shelf cod £4.50-55.00. Codings £3.00-13.00. Medrum heddock £4.40-£5.50. small £2.70-£2.60, Large plaics £4.70-£5.00. medium £4.00-£5.00, beet amail £3.60-£4.30. Skianed dogfish. leige, £6.50; medium £7.00. Lemon eoles, £6.70; medium £7.00. 5.00; 5.51the £1.70-£2.00.

#### AMERICAN MARKETS

\*\*\*38-80. \*\*\*38-80. \*\*\*38-80. \*\*\*38-80. \*\*\*38-80. \*\*\*39-

200.0; July 192.0, 200.0; Oct. 193.0, 202.0; Oac.-195.0, 200.0, Sales: Nil. SYONEY GREASY—Close (in order buysr, saller, businesa, sales. Micron contract: July 386.2, 387.0, 386.0-385.5, 22. Oct. 394.6, 395.0, 396.5-394.5, 65; Occ. 397.5, 406.0, 406.0-404.5, 40; May 407.5, 408.0, 408.0-407.5, 15; July 412.5, 414.0, untradsd; Oct. 413.0, 416.5, untradad; Osc. 416.0, 418.0, untroded.

COTTON

HIDES Manchestar. Weaker. Second clear ox 31-35 5 kilos, withdrawn 85p (w87p1; 26-30.5 kilos, 81.7p lw88p); 22-25.5 kilos, 96p (w85p). Light cowe 97p (w94.5);

MEAT/VEGETABLES SMITHFIELD (pencs per gound)—Bast: Scotch killed sides 64.0 to 68.0, Eiro hradgustreia 81.0 to 83.0, lore-quarters 42.0 to 44.0. Lamb: English smell 70.0 to 78.0, reedium 68.0 to 70.0. Imoprod luczen N.Z. PL 51.0 to 51.5. PM 50.5 to 51.0. Pork: English, undar 100 lbs 24.5 to 44.0, 100-120 lbs 34.0 to 42.5. 120-150 lbs 34.0 to 41.0.

\*\*MEKICAN MAKE:

NEW YORK, Jung 28.

Coccos\*\*\*Joigi 148.50 | 144.40], Sept. 152.40 49.8751. May 170.60. July 163.60; Sept. 155.60. For contract; July 212.00 207.58] Sept. 217.54 (213.54), Oec. 215.00, Maytch 212.91, May 212.49, July 209.00, Sept. 209.55.

Copper—July 80.10-80.50 (82.60], Aug. 80.45\*\*(83.05), Sept. 80.50-80.80, Oec. 81.20-81.40. Juny 82.35. Sept. 82.50, May. 181.50, Merch 82.00, May. 82.30. July 82.35. Sept. 82.50, Dec. anii, Jan. nii, March nii, May nii.

\*\*Cotton—Net. 2: July 62.40 (62.821, Oec. 847.0, Feb. 958.5, Apr. 870.0, June 914.5-815 0, Aug. 924.5, Oct. 935.5, Oec. 947.0, Feb. 958.5, Apr. 870.0, June 914.5-815 0, Aug. 924.5, Oct. 935.5, Oec. 947.0, Feb. 958.5, Apr. 870.0, June 914.5-815 0, Aug. 924.5, Oct. 935.5, Oec. 947.0, Feb. 958.5, Apr. 870.0, June 914.5-815 0, Aug. 924.5, Oct. 935.5, Oec. 947.0, Feb. 958.5, Apr. 870.0, June 914.5-815 0, Aug. 924.5, Oct. 935.5, Oec. 947.0, Feb. 958.5, Apr. 870.0, June 914.5-815 0, Aug. 11 | 155 40-55 401. Sept. 202.0 esked 0ec. 83.20. Sept. 222.70, Oct. 935.50, Oec. 5 285.00, Dec. 285.60, Fab. 294.10, Apr. 288.30, Juna/202.90, Aug. 307.30, Oct. 311.70, Dec.) 316.00, Fab. 320.30, Apr. 311.70, Dec.) 316.00, Fab. 320.30, Apr. 311.70, Dec.) 316.00, Fab. 320.30, Apr. 34.50, March 25.40, May 96.25, July 40.00, July 40.00, Dec. 311.70, Sept. 87.75, Nov. 98.23, Salvet 177.00, July 40.00, Oct. 422.90, July 40.00, July

#### **EUROPEAN MARKETS**

Wheat: U.S. No. 2 Oerk Hard Winter

13.5 - per- cent, - unquoted; U.S. Hard
Winter. Ordinary, - unquoted; U.S. No. 2
Red Winter. All S205, Aug. S208,
Sept. S209, Oct. S215, Nov. \$217, Oec.
S218: U.S. Ne. 2 Northern Spring, July
S208, Aug. S208, Sept. S208.75, Oct.
S212.50 Nov. \$214, Maixe—U.S. No. 3
Com Yellow, All S154.50, July 9154.50,
Aug. \$154.50, Sept. \$155, Oct.-Oec.
\$156.76, Jan. March \$164.75, Rye—
Unquoted. Oeb; — All une uoted.
Sorghum—U.S. Prints, 5pet \$158, All
\$158, July \$153, Aug. \$154 (Indication)

PARIS. June 28. PARIS, June 28.

Cocce: (FFr per 100 kiloe), July 1450/1500 bre. Sept. 1504/1520 b/a.
Dec. 1531/1535 b/a. March 1535/1535 b/s. March 1535/1535 b/s. March 1535/1535 b/s. Sales at call, nil.

Buger: IFFr per 100 kiloe), Aug. 870/973 b/a. Oct. 1030/1031 b/s Nov. 1028/1032 b/a. Dec. 1081/1080 b/s. March 1114/1120 b/s. May 1125/1140 b/s. July 1140/1165 b/s. Aug. 1155/1175 b/s. Sales et call: 11.

DOW JONES

Dow June June Month Year Jones 28 27 ago ago

INDICES FINANCIAL TIMES

June 25 June 27 M'nth ago Year ago 205.25 297.75 278.20 244.73 (8ase: July 1, 1952-100)

June 20 June 27 M'eth ago Your ago

1087.4 1106.7 1008.1 112.5 (Oscamber 31, 1831-100)

Spot ... 420.51 422.03 391.72 55[L14 F tur's 458.58 435.69 399.56 046.12 (Average 1924-25-28-100) June 28 June 27 Minch ego Year ago

stock prices at representative merkata on June 28. GB cattle 90,45p per kg l.w. (+1.47): FUK sheep 168.5p per kg l.w. (+1.47): FUK sheep 168.5p per kg l.w. (+1.0). England and Weles: Certio numbers up 2.7 per cent, sverege price 59,35p (+0.84). Sheep numbers up 20.2 per cent, sverege price 168.5p (+2.1). Pla numbers up 3.4 per cent. sverege price 58.9p (+1.0). Scotlend; Certie numbers up 1.5 per cent, sverepe price 91.45p (+2.45).

COVENT GARDEN—Prices in siching per package accept where otherwise stated, imported Produce: Oranges per packags except where atstad, imported Produce: lereal: Volunces Lates

Cyprus: 5.00-6.00; 5. Alrican; Nevsia 4.00-5.30; Brazilion; 5.40-5.80; Lemons—Italian; 100/t20s 5.50-6.00; Spanie; Treys 30,40/45 2.40-2.80; Grapefruit—S Alrican; 22/54 3.50-5.10; Jeffe; 36s S Airican: 22/54 3.50-5.10; Jeffe: 38s 4 80. Apples—5, Airican: Grenny Smito 7 40-7.50. White Winter Pearmain 4.00. Yorks 5.80.5.50. Starking 4.80-5.80. Goldan Ilalicious 8.80-7.00; New Zealand: Sturmers 7.30, Delicious 6.50; Tasmannan: Jonethans 5 60-5 80, Golden Oalicious 4 00-4.50, Sturmer Pippme 5.50-7.00, Grenny Smith 7.00; Victorism: Granny Smith 7.30; W. Austrelian: Granny Smith 7.30; Washington: Rad Oelicious per box 8.00-9.00;

1028.2 1637.3, 106E.0 147e.0 (Base: September 18, 1931-100).

FINANCIAL TIMES STOCK INDICES

70,81 70,67 70,68 70.65 70,60 70,76 69,28 72.48 72.25 72.27 72.26 72.86 72.81 72.51 71.24

469.5 486,9 475.2 473.4 478.0 474.9 457.3 174.4 178.0 178.4 185.0 186.4 186.8 162.4 158.6 158.9: 161.5, 168.1, 164.0, 161.6, 106.9.

6,97 6,00 6,90 5.93 5.94 6.97 5.80

- 67.48 71.15 60.11 69.63 93.95 56.26

38

# Tap stock activation and oil news generates better feeling in Gilt-edged stocks and in equities

Account Dealing Dales

"First Declara- Lasi Account Dealings tions Dealings Day June 4 June 14 June 15 June 26 June 18 June 28 June 29 July 14 July 2 July 12 July 13 July 24 July 16 July 26 July 27 Aug. 7

Encouraged by events in the Gilt-edged market, where revived investment demand enabled the for the first time both the shurlmedium and tone tap stucks. leading shares Jesterday edged forward on selective buying which partly reflected bearenvering. The sleadier tune also mirrored relief that the crude nil price increases proposed by OPEC were slightly tess than

Immediately dealings began to the fueds, the short-medium tap Treasury 12 per cent 1984, 450paid, was activated at 50% with demand emanating from overseas and local sources, although much of the domestic trade was

50 la and was not lested at a higher level.

Later in the day, he was able also la uperale the £15-paid tonger issue Exchequer 121 per cent A 1999 in a small way at £151 because prior events had promated a better feeling in the market generally. This was mainly confined to the medium/ longs which regained various amounts extending to 4. The shorts improved only marginally, being beid back by switching slightly longer, but were extending the movement after the official close of business.

The absence of any meaningful new-line" buying influwing he early short-covering was disappointing, countered by selective feasures such as Unilever, which jumped 18 to 594p on news that the unpaid balance of declared dividends amounting to 35p per Ordinary share is to be paid; at the same time, the company

354p

133p

LONDON TRADED OPTIONS

believed to be switching and not announced that it was nego-straight business. The Govern-tialing with BAT Industries the ment broker subsequently with-possible merger of the super-certain Building issues. A steady market uperations of both market awaiting the annual

Another major attraction in the armouncement before equitles was first-line dealings in Settling 3 couple of pence higher on balance at 176p. The harply higher annual arms impressive premium of 200 and interesting a couple of pence higher on balance at 176p. The impressive premium of 20p on the issue price of 160p. Being many times oversubscribed. The issue was expected to go well and the eosuing activity fulfilled Recognising the lhese hopes. well-halanced oature of the day's trade, the price fluctuated between the limited range of 132p and 178p hefore closing at Magnet and Southerns, at 170p. the latter level.

Unfounded rumours of peoding announcement regarding exchange control regulations aroused a brief Hurry of activity in investment currency and rates eased to 32; per cept before steadying to close a get ? lower at 34; per eeot. Yesterday's SE conversion factor was 0.8920

results.

Burton feature

Other leaders drifted downwards. Molhereare losing 4 at 170p and Gussies A 2 to 352p. Dealings were resumed in Hardy

were resumed in Hardy Furnishers following the revised

offer lerms from Harris Queens-

way, the Ordinary closing at 129p, and the A at 115p, close to

the offer prices of 130p and 120p respectively: Harris shed 7 to

225p on the anonuncement Lec

Cooper immed 14 to 297p in a

thin market following Wednes-

day's annual meeting, while

helped by acquisition news. Bambers, on the other hand.

to 52p following the

A further contraction of business in Traded Options saw a total of 468 deals completed compared with the previous day's 504 and last week's daily average of 520. Courtaulds attracted most attention, recording 72 trades. while other active counters included Cons. Gold Fields with 59, BP 57 and Shell 51.

#### Bauks firmer

The major clearer fluctuated narrowly before settling for gains of a couple of pence, Elsewhere, lack of support left and King ann Sbaxsnu 2 off at Oversess influences were reflected in Bank of New South Wales which added 8 to 208p and in Commercial Bank of Australia which firmed 4 to 140p. Second throughts about the annual results left Catile's } hetter at 331p after Wednesday's

Insurances picked up and closed with modest gains. Geoeral Accident reversed an initial fall of 4 to close 2 dearer on balance at 208p, while Royals improved 7 at 2089, while Royals improved 1
10 332p and Guardian Royal
Exchange added 4 to 228p.

Leading Breweries tended a
shade firmer in quiet trading
with Bass, 212p, and Whitbrend.

121p, both closing 3 better, Vaux,
after 408p, EMI hardened 2 to

22p, Spots included Dunbee-Complex,
4 cheaper at 60p, and Camrex
4 cheaper at 39p. Harris Lebus were
suspended at 35p; a recommended bid worth approximately
40p a share from PMA Holdings
40p a share from PMA Holdings however, shed that amount to

Scottish and Newcastle are due

on Thursday and could reveat

inroads into the former's free trade business. Distillers, at 211p,

recovered 3 of the previous day's

again met small selling and eased 5 to 122p. Among Shoes. Stead and Simpson firmed a annual results. kel estimates prompted firmness 106p before clusing up 4 on 158p: the annual results from close North-eastern competitors

Trading stalements were wood 5 higher at 123p. Still Trident TV A added a penny responsible for prominence of reflecting good preliminary more to 63p. Elsewhere in The rectain Building issues, A steady figures, MK Electric hardened 3 Leisure sector, demand in a thin further to 248p. Engineering leaders fluctuated results, Redland touched 179p on

narrowly before closing without much alteration. Awaiting today's Midlands 7 cheaper at 188p. preliminary statement, John Brown closed unchanged at 493p. after 496p. Elsewhere, Baker Perkins revived after recent dullness and gained 7 to 155p, left Whallings 3 cheaper at 28p. J. Booth improved 2 to 58p in ing the annual results and proresults. Elsewhere, Press composed rights issue. Better-than- mid-term profits. nient stimulated a small invo-way expected preliminary results. however, prompted a gain of 12 which finished 5 cheaper at 255p. to 110p in Recold, but Brown and Tawse met with selling and recovered 5 of the previous day's gave up 7 10 130p. fall of 11, while BPB added 6 more to 302p in continued

Leading Foods attracted a better business than of late, but response to the impressive restricted to a penoy or so in either direction. Elsewhere, demand ahead of the annual results due on July 12 tifted Down to 346p io early dealings, ICI picked up to 348p hefore ending at 347p for a net fall of a penny. Fisons improved 2 to 250p. Leonons 2 to 38p, while some interest was shown to William Morrisoo which added 3 to 164n Bortoo provided a spark of interest in a lacklustre Stores sector, renewed cofranchisement hopes and new-lime buying lift-ing the A 16 to 260p, while the Ordinary spirited 20 to 310p and

Press comment failed to stir Fitch Lovell. 60p, but renewed speculative buying was apparent for Cartlers which firmed 3 to 125p. On the other hand, Bishop's Stores, at 188p, gave back half of the previous day's goin of 10 and Cullens cheapened 4 to 126p. Renewed investment support was forthcoming for leading Hotels and Caterers with Grand Metropolitan hardening 2 to 133p and Trustbousa Forte firming 3 tn 160p. Ladbroke also added 3, to 210p, but uninspiring annua profits left Norfolk Capital 2 cheaper at 45p.

#### Unilever feature

Unflever, up 18 at 594p, on the decision to pay on August 1 the backlog of dividends declared but unpaid, provided the maio feature in the miscellaneous Industrial leaders. Beecham firmed S to 533p and Pilkington to 310p. but Reckitt and Colman cased a few pence fur-ther to 432p. Still revecting dis-Preliminary figures above mar- appointment with the annual In Plessey which improved in day fall of 13 to 140p. Other dull spots included Dunbee-Combex. 100p. Amoog secondary stocks, PMA eased a penny to 115p. Sound Diffusion moved up 7 tn Jenks and Callel closed 3 higher 123p to response to the priposed at 84p; Armstrong Equipment rights issue and dividend fore- announced yesterday that it had cast, but disappointing annual extended its offer until July 12. results left Electrocomponents 10 but reiteraled that its bid of 81p down at 443p. Decca A revived per share will not be incressed, quickly marked at 287p, up 13, while fresh support left Camphell and Isber- results and dividend increase,

Heron Motor cootinued to rally from Toesday's drop followiog suspeosion, adding 3 for a two-day gain of 7 at 54p. Elsewhere among mixed Distributors, but B. Elliott down 4 further at Lookers, 56p shead of the 230p, remained on after follow-annual results and prodown at 53p following the lower

Although trade remained fairly Great Portland Estates picked up better busioess than of late, but 4 to 294p, while Stock Conver-price clasges were usually sion improved 6 to 352p. Capital

#### Oils erratic

Ultramar firmed S to 328.

Among Shippings. Furness Withy closed 6 off at 280p following the defeat of the KCA/ Eurocanadian proposals at yester-day's annual meeting.

Ba(s, having reported good interim results on Tuesday, were to the possible merger of its lossmaking International Stores sub-

A sbarp decline in the bullion price following the proposed OPEC oil price increases and the losses in South Bank Leum! widespread African gold shares,

Prices drifted in the morning A notable exception to the contact inti-

Earnings, Ytd. T | full | 18.27 | 16.37 | 15.07 | 16.15 | 16.18 | 15.26 | 17.59 P/E Ratio (net) (\*) ... 7.84 7.79 7.95 7.89 7.88 7.86 7.56 Total bargains....... 16,100 14,547 16,421 14,955 14,420 14,147 market lifted Plumpton Racecourse 10 to 53p, put (urther small offerings left Horizon Equity bargains total - 10,702 11,778 11,197, 10,593/11.371 12,090

thio, leading Properties steadily improved. Laod Securities finished 5 to the good at 283p and MEPC closed 6 up at 167p. and Counties added a penny to 86p: Press suggestions that Union Corporation may sell its near-30 per cent stake in the company to Costain made no

#### apparent impact

Oil shares passed a volatile treding session. Firm initially at 386p. Shell drifted back on profit-taking to 380p before returning to 386p for a rise of 8 on the day; the late recovery was on the day; the late recovery was helped by hopes that the com-nany will follow Unilever's deci-sion to distribute its backlog of uopaid dividends. British Petroleum followed a similar pattern and finished 10 to the good at 256p. Among secondary issues,

further buoyed by news that talks are in progress with a view sidiary with Unilever's Mac-markets chain. Bats rose 8 to 278p, while the deferred 278p, while the deferred advanced s like amount to 258p.

#### Golds lose ground

owing to lack of interest and lack of fresh progress by the bullion price. In the afternoon, however, persistent American selling emerged following the recovery in the dollar and Golds were quickly marked down to close at

10 am 486.8. 1t am 469.2. Roon 409.2. 1 pm 469.2. 2 pm 469.5. 3 pm 469.1. Latest Index 01-246 8026. \* Nil =7.53. 8esis 100 Govt. Secs. 15/10/25. Fixed Int. 1928. Industrial Ore. 1/7/35. Gbld Mines 12/9/55. Ex.S premium index started June. 1972. SE Activity July Dec. 1942. HIGHS AND LOWS S.E. ACTIVITY High 1 -Law 127.4 49.18 150.4 50.52 (28/11/47) (3/1/75) 556.5 49.4 (4/5/79) (26/6/48) 6-d y Av r ge Gift Edged... 114.0 112.4 Industrials ... 124.9 124.6 Speculative 27.5 27.5 Totals.... 83.8, 82.6 442.5 45.6 (22/6/75) (26/19/71)

general trend was Vlakfonteln. Central Pacific another 10 better elosing 6 firmer on balance at stahigh of 325p. 80p following rumonts of a MIM Holdings possible deal concerning the 190p in response to

High : Low

66.03

Cold MinesiEx-4 pm Ord. Div. Yield ......

mine's waste dumps. News of the oil price increases and a strong domestic market resulted in sharp gains in Austra-Plateau well. Cultus Pacific, lian energy related stocks. which has an interest in the lian energy related stocks.

The Rundle oil-shale partners.

NEW LOWS (64)

AMERICANS 180

CANADIANS (T) SANKS (2)

CHEMICALS IS) .

ENGINEERING 681

deen Const. Mawlem IJJ

FOREIGN BONDS (3)
Greek 7pc Ass. Greek 4pc Mixed
Greek 6pc 28 Stab. Ass.

which advanced strongly to at a 1979 high of S30p and touch s 1979 high of 90p before Southern Pacific 20 to the good MIM Holdings inmped 11 to

190p in response to the announce ment that the company had encountered traces of hydrocarbons in its first Exmouth The Rundle oil-shale partners. Exmouth Plateau, rose 3 to 19p continued to attract support with following speculative support.

#### NEW HIGHS AND LOWS FOR 1979

NEW HIGHS (7) Adems & Gibbon NEWSPAPERS (1) Michael U.) Reardon Smith Do. 'A' Attock Petroleum

RISES AND FALLS YESTERDAY

MINES CIT

# Main Board post at Dunlop

Dr. Alfred Spinks has joined the hoard of DUNLOP HOLD Until his recent retirement, he was a member of the board of Imperial Chemical Industries responsible for research and development. Dr. Spinks joined tell in 1941 as a research rhemist, and later became a research pharmacologist. In 1966 he was appointed deputy chairman of the pharmacentical division and a director of its ın 1970.

A member of the advisory brand for the Research Councils and a deputy chairman of the Advisory Conneil for Applied Research and Development, Dr. Spinks is also chairman of the Rayal Society Engineering, technology and industries committee. He is a monitor of the governing body of hunerial Cidlege of Science and Technology.

Mr. J. A. Latthouse, who has been a director of IMPERIAL CHEMICAL INDUSTRIES since July, 1970, is retiring on March 31, 1980, after over 40 years with the company. He will continue as petrochemicals product direcfor and explosives product director until that date, but he afrector until that eate, but he will be relinquishing his position as ferritarial director—the Americas at the beginning of next October. There will be a director resident in the U.S. frum October 1, 1979, and Mr. frum (comer 1, 1979, and off, R. Haslam, of present lel's personnel director, will be taking an that appunitment and with it the responsibility of terribulal director—the Americas, He will be based in Nan York, Mr. F. he based in New York. Mr. F. Murray and Cu. Whiteley (agricultural division chairmant is in become a direc-tor from August 1, 1979, and he will take over as personnel director from Mr. Haslant.

Mr. Fernand Nakble Saada has beeo appointed vice president tmanager UK and Ireland; fur MIDDLE EAST AIRLINES. He succeeds Mr. Fuad Bibby who is to become MEA's vice president marketing) in the tail).

Mr. Andrew Hirst, area director of NATIONAL WESTMINSTER BANK'S Sheffield area office, bas been appointed deputy regional director of the bank's West Midlands and Wales region. He succeeds Mr. Ray Oales who relires on June 30.

Mr. Rod Pallison has been appointed managing director from July 1 of CAPE INSULA-TION SERVICES, a Cupe Industries subsidiary. He suc-ceeds Mr. Jlm Laird whn has laken up a new Roard appointment with another company within the Cape Industries

Dr. A. R. Cumming has hecome managing director of become a vice-president, the pigments division of CIRA-GEIGY PLASTICS AND



Dr. Alfred Spinks

ment appointment in Switzerland with Gretag AG, a wholly-owned subsidiary of CIBA-CEIGY Limited, Switzerland. Dr. P. J. Caveng succeeds Dr. Cuantum as manufacturing director of the industrial chemicals division.

Mr. Robert Morley has joined

Mr. H. T. A. Hastie has been appointed a director of MURRAY JUMINSTONE and Marray Johnstone Unit Trust Management train July I. He was previously a partner of Whinney

Mr. S. W. Glass with retire from the Board of YEOMAN INVESTMENT TRUST and its subsidiaries 60 July 24. Mr. N. W. Berry, a director of R. E. Pilkington, the dealing subsidiary, trill join the Board of YEOMAN SONS AND CO. (MAN-Yeoman and its other two subsidiaries from that date. Philip Hill (Management) hermone the subsidiaries appointed crosssecretaries to Yeoman when paov secretary of the parent con-July 1.

Mr. Richard H. Belton has hecome depuly managing director and Mr. Brian O. Burge, marketing director, of the STAG CABINET COMPANY from

finance director. Mr. D. N. Dou. at present finance director and commercial director, continues as commercial director,

annointed a denuty chairman of WILLIS FABER the group hold-appointed chairman of the KEEP BRITAIN TIDY GROUP from October 3. He will take over from Mr. Tony de Boer, chairman V. H. Bennell, Mr. A. G. Duncan.

U.S., as vice-president, negotiations. Mr. Piper joined the group in 1949 and since 1975 has been general manager of Autoco Iran.

Mr. Kenneth S. Gordon has been appointed by HUYCK EUROPE INC., the European division of the American Huyck Corporation, as director of manuthe based in Whitstable, Kent.

Mr. Gordon was previously resident in Austria as managing director of the company's operations in that enuntry,

Mr. Culin Ganderlau has heen appointed managing director of JOHN MASTERS AND CO. the was previously with Dymo.

Mr. Richard Hall has been symulated to the Board of HELICAL BAR. Mr. Hall Is chairing of the Hall Engineering Group.

Mr. Herman Seballer has been appointed by COATS PATONS as overseas trading consultant to developing the company's garments business on a world

Mr. F. G. Gifford and Mr. K. J. McGREGOR PLASTICS as chairman.

\*\*Shulman have been appointed directors of the EQUINE AND 1.1VESTOCK INSURANCE COM-

> Mr. John Platford has been uppointed a director of LANDEB HEYWOOD, the Lloyd's brokers associated with the H. Stephenson Insurance Broking Group to

[Management] heennie Horkin has heen appointed com-

Mr. Bryan Jefferson will he ome president of the ROYAL INSTITUTE OF BRITISH ARCHITECTS in place of Mr. Gordon Graham on July 1 Mr. Jefferson is a partner in Jeffer-son Sheard and Pariners.

Mr. John Paulin, a district Mr. F. A. S. Porter, group manager, branch administration, treasurer, joins the Board of the East Area, of the BANK OF LAIRD GROUP on July I as SCOTLAND has been appointed chief inspector of the hank as an assistant general manager.

Mr. Keoneth Childs has been

annointed a denuty chairman of WILLIS FABER the group hold-V. H. Bennell, Mr. A. G. Duncan. of the group since 1969 who will Mr. E. H. J. Hare and Mr. A. J. become a vice-president, South lave become directors of Willis Faher and Dumas. Mr. The pigments division of CIRA-GEIGY PLASTICS AND Mr. Arthur E. Piper has been appointed general manager to the easien to Mr. II. R. Hug who has slaken up a senior manage-EXPLORATION COMPANY. He Faber.

Willis Faber and Dumas. Mr. Willis Faber and Dumas of the continue as chairman appointed general manager to the statement of the thremational division of Willis Faber and Dumas. Mr. Childs will confinue as chairman appointed general manager to the statement of the continue and continue as chairman appointed general manager to the statement of the continue and continue as chairman appointed general manager to the statement of the continue as chairman appointed general manager to the statement of the continue as chairman appointed general manager to the statement of the continue as chairman appointed general manager to the statement of the continue as chairman appointed general manager to the statement of the continue as chairman appointed general manager to the statement of the continue as chairman appointed general manager to the statement of the continue as chairman appointed general manager to the statement of the continue as chairman appointed general manager to the continue appoi

DEALING DATES Last

Arrow. Spillers, Premier Oil. Homfray, Leslie Gold, Adwest, succeeds Mr. C. M. Carr. who has transferred to Amoco Infer-Mining Supplies. Baker Perkins, July 24 Aug. 6 Oct. 18 Oct. 30 City. No puts were reported.

For rote indications see end of while double options were com-Share Information Service pleted in Dunlop, Ladhruke and Calls were dealt in Britannia New Throgmorton Warrants.

#### **ACTIVE STOCKS** No. Denomination Closing Change 1979 1979

	41.211110	a- UL	Crosing	Change	1919	7919
Stock	tion	marks	price (p)	on day	high	low
BP	. £1	17	1,266	÷10	1,295	882
Stand, Tel. Cables	25p	12	179	_	182	178
BAT Inds	25p	10	278	+ 6	362	263
Burmalı Oil	. £1	8	134	+ 2	135	82
LASNO	25p	8	258	_	264	124
Tricentrol	25p	8	248	+ 2	254	148
ICI	. El	7	347	- 1	415	346
Legal & General	5p	7	157	·- 2	190	138
RTZ	0=	7	274		362	226
Royal Dutch		) 7	£37£	+ 1	£47 F	£361
Dowty	=-	6	318	+ 1	357	252
GEC	~~.	ő	356	+10	456	31 I
GUS A	orein.	6	352	- 2	448	288
Shell Transport	25p	ő	386	+ \$	402	278
Spillers		6	394	, ,	493	303
	-01,		085		- 407	30 \$

#### RECENT ISSUES EQUITIES

Issua 63 Prica 55 p: 4	Lutest Ronulso. Pote	1979 Igh Low	Stock	Prior +	Div. P. Anount Times	Gross Gross Yield P.E. Ratio
115 F.F	22/6 5 22/6 5 22/6	77 13712 76 66 53 51 41 3 5712 36	8 k q (Retail) 5p †Baker (John: † Baitight 10p Fulcrum Inv. Income Do. Capital Alap Rock Barham Security Pacific Grp. StandardTol.&Cables	72 -2 6112; 35, -1, 52 £167;	12.0 'bd3.5' 2 4 0' -	9 6.9 7.2 - 11.6 - 5.7

#### FIXED INTEREST STOCKS

ž.	E9 18 1979	NIERESI SIGO	= 4 or
Prico	Fig. 5 g. High L		86   -
100 100 100	F.P. 26/6 102 F.P. 50/8 103 1	071: Kwik-Fit (Tyres: 8% Cnv. Ln, 18 91 - Marsh'il's Univ'rs'i 7;% Cnv-Cun 00 - Portsmouth Water 8% Red. Pri	Red Prf 91 -1
98		RIGHTS" OFFERS	96 ;

ssue nce	ald up	Renu Da	inc.	197	79	t e	Glosing prio4s	<u>+</u>
p:	₹8	•	7	High	Low		ğά	
36	Nil	9,7	10.8		1 pm	Causton Sir IJ.1	) le pm	
65	Uri	•	_			Century Dita		
2212	Nil	10.7	108	6pm	21: pm	Combined English Stores	21spm	
55 -	F.P.	5:6	b:7	51	40	'Edwards ILouis C.t	40	_
.Qu ·	Nal		-	3apm		Geevor Tin		
26	F.P.	29.6	10:a		131	Grand Motropolitan	133	+3
.55	Nil	_	-	42pm		Holt Lloyd Inti		
. 10	NIJ.	5.7	7:9	3pm		Intl. Timbor	1pm	٠
54	F.P.	22.6	27,7	171	157	MEPC	165	++8
105	Nil	-	_	3pm	1ρπ	McCorquodala	-21 <sub>5</sub> pm	٠.
es	F.P.	_	_	121	10112	P.M.A. Holdings	116	
110	NII	22/5	20 7	60pm	40pm	Petorson Tennant	40pm	:
20 '	F.P.	_	_	4312	29	Provincial Laund nos	<b>38</b>	
60 .	F.P.	29,6	20/7	84		:Sooter04		+1
15	F.P.	11/6	2:7	t 36		Scot. Mot. Prop		<u>—</u> 1
65	F.P.	15:6	27.7	296		3imon Engineering		
50	F.P.	15:6	15,7			Smuffit Wefferson:		.+1
<b>155</b>	F.P.	4.6	6.7	507	470	Standard Chartered Sank	475	-8
38	F.P. i	18;6	9:7	145	151	Tillina (Thoması	152	٠
175	F.P.	23.5	4:7		210	Trioentrol	246	!
93	F.P.	7.16	15/7	105%	92	UDS.,	93	1+1
e7 :	N/I I	_	-	134pm	7003	W.G.I	11am	i
20	F.P.	19.8	13/7	25 12	18	Weaks Associates	18	

Renunciation date usually last day for dealing free of atamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield, it Forocast dividend; cover based on previous year's samings. F Rividend and yield based on prospectus or other official estimates for 1979. Gross. T Figures assumed.; Cover silows for conversion of sharter not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. It Pence unless otherwise indicated. I issued by lender. I Offered to holders of ordinary shares as a "rights." I suited by way of capitalisation. §§ Reintroduced. I issued to connection with reorganisation, morger or tekatover. Ill Intudention. I issued to larmer collatance holders. If Allomant letters (or fully-paid). Provisional or partly-paid cilioment letters, \* With warrants. It Unitered Security. It issued as units comprising 2 income shares and 10 Capital shares at 125p par unit.

# FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries

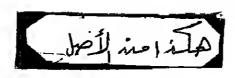
	EQUITY GR	OUPS	T	hurs.,	June	28, 1	979	Wed, June 27	June 26	Mon., June 25	June 22	
& SUB-SECTIONS  Figures in parentheses show number of stocks per section		er of Index	Day's Change	Est. Earologs Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	(Net)	Index No.		_			
7		172)	241.2	+0.8	17.60	5.55	7.44	239.46			243.17	208.0
2					17.99	5.62	7.42		222.78			
3		coon (28)	353.54 579.23		25.36 13.32	5.88	4.97	354.49	358.14		368.92	
5		tors (12)	367 8	+25	20.03	3.25 6.35	10.34	565.33 368.17	574.52 362.00		576.F1 368.51	
6	Mechanical Engineer	ing (75)	182.31		18.12	6.17	7.17	182.32	184.14			
8	Metals and Metal For CONSUMER COOD	rming(16) \$	165.72	-0.4	19.52	9.03	6.42		167.54		168.26	
11	(DURABLE) (52)		227.74	-0.2	1539	4.86	8.53	228.10	230.53	230.19	231.56	190.
12	Lt. Electronics, Radio	, TV (16)	310,40	-0.3	12.06	3.64	11.64	311.27	314.48	313.44	315.88	223.5
13	Household Goods (12)	<b>)</b>	157.93	-0.9	17.88	7.10	7.35	159.37	159.99	159.88	.161.46	
14 21	Motors and Distribute CONSUMER GOOD! (NON-BURABLE) (1	5	1		22.30	7.30	5.47	116.58	118.69	117.96		1
22	Brownies (14)	/ I I	252.60	+8.8	16.31	5.69	7.77	230,82	234.06	233.09	234.67	
23	Wines and Spirits (6)		207.77	+13	15.78	5.51 4.85	7.63 9.24	266.12	270.75 300.80	279,00	270.43 300.40	
24	Entertainment, Cateri	ino (17)	305 48	+1.3	16.27	6.60	810	301.69	306.66		303.69	
25	Food Manufacturing (	(19)	214.93	+13	18.39	5.09	6.76	212.28	214.50	213.79	224.46	
26	Food Potation (15)		203.26	1 .04	12.04	4.08	10.32	290.25	295.20	293.62	292.96	
32	Newspapers, Publishi Packaging and Paper	ing (12)	427.53	+9.1	21.85	6.81	6.49	426,96	429.77	428,45		
33 34	Packaging and Paper	[15]	128.00	+0.3	23.26	8.33	5.56	327 <i>5</i> 7	128,48	128.75	129.14	
<i>3</i> 4 35	Stores (41) Textiles(23)		234.15	+0.3	12.06	4.18	11.09.	233.45	235.84	235.69	23939	
36	Tobaccos (3)		340.02	+1.0	23.26	9.32 8.94	5.77	160.68	164.64	164.15	164,94	
37	Toys and Games (6)		72.69	-1.9	31.13	8.94	4.96 3.85	236.14 74.12	239,70 74,64	74.63	238.68 74,40	
41	Toys and Games (6) OTHER GROUPS (99	,	200.83	+0.2	15.83	6.13	7.83	200.39	202.12	201.59	2023	191.6
42	Chemicak (18)		1261 06		18.00	6.78	6.49	282.09	205,71	284.61	286.00	
43	Pharmaceutical Produ	ucts (7)	216.56	+0.8	12.69	5.04	9.81	214.89	217.23	216.62	216.50	249.0
44	Office Equipment (6).		11903	+0.1	17.22	6.60	7.33	118.89	118,84	11931	119.93	127.3
45 46	Shipping (10)		451.87	-0.3	10.30	6.64	12.99	453.25	457,09	453.52	458.74	4101
49	Miscellaneous (58)	D/AGA\	239.76	+0.3	16.19	5.96	8.04	239.05	240.34	239.93	240.33	197.7
51	OHs(6)	FV477/	203.00	+0.6	11.24	5.69 2.99	7.75	232.51	235.21	234,55		
59	SOM CHARE INDEY		701.33	+1.4	15.46	5.18	9.46	641.99		699.54	678.80	478.0
ä	500 SHARE INDEX.	(116)	705 23	+0.7	13.46	. 5.43	8.02	269.28 185.52	272.56	271.75	271,47	226.5
52	Ranks(6)		778 67	+0.5	29.13	5.08	4.44	227.62	187.56 231.17	188.04		
53	Discount Houses (10).		253.71	+0.2	_	7.23		253.24	252.1	251.72	239,73 256,59	178.4 202.5
54	Ules Durchars (53		750 44	-0.6	20.98	5.48	6.14	157.33	162-30	165.53	155.44	
55 56	Insurance (Life) (10). Insurance (Composite) Insurance Brokers (10)	\ m\	150.29	-17	-	6.77	_	152.96	154.97	155.23	157.45	127.9
57	Insurance Reckers 13/	/ (0/)	724 10	+1.2	19.61	7.41	730	320,48	321,47	120.91	123.79	
8	Merchant Banks (14). Property(43)		95.97	-9.2	19.61	7.17 5.45	7.30	258.16 96.20	261.48 96.15	263.84	268.41	327.3
59	Property(43)		334.95	413	3.18	2.63	48.11	331.32	334.69	97.32 - 335.78		76,9
70	Miscellanenus (10) Investment Trusts(110		120.74	-0.1	15.41	7.39	8.31	120.12	121.22	121.18	337,72	224.6 103.2
$\overline{n}$	Investment Trusts(110	))((	208.99	+0.1	_	5.33		201.79	21000	210,42	216 40	2063
1	Mining Finance (4)		119.28	+0.1	16.74	6.31	7.26	11915	11937	120.37	123.15	96.2
1	Overseas Traders (20)		351.67		15.41	7.02	8.03	357.74	355.34	356.02	355.50	306.6
9	ALL-SHARE INDEXC	/501	247.15	+0.6	-	5.29		26.65	248.46	248.10	248.33	208.5
	FIXED INTE	EREST PRI	CE INDICE	5	;	· FIX	ED INT			hars.	Wed.,	Year
					<u>.</u> ]·	Br. G	ovil Av, (	Gross Red.	[	28	June 27	(Sports
	' 1	Thurs.,	Day's xd :	w	1			5 years		10.55	10.59	3.97
	British Government		tunge tod	W 19	74 2	Coupons	7	5 years	7	11.12	11.17	77.13
•		28	%		date 3			5 years				

	10.55			FIXED INTEREST PRICE INDICES					
64 1170 118	11.12	5 years	1 Low 2 Coupens 3	nd adj. 1979 to date	nd adj. today	Day's clunge %	Thurs., June 28	British Government	
46 1272 123	12.36 12.66 12.66	The State of case of the Party	5 Coupons	4.77 5.81	6.21	+0.13	104.76 113.98	Under 5 years	
57 - 1243 11.8 61 13.67 12.8	12.57 13.61	5 years	7. High 8 Coupons	7.30	<b>-</b> .	+0.47	119.43	Over 15 years	
98   13.05   33.0 40   11.48   12.0		mables	<u> </u>	5.95	9.08	+0.33	112.13	All stocks	
57 01 98	12.57- 13.61 12.98 11.40	5 years	8 Coupons	7.30 7.24 5.95	Thurs., Ju	+0.76 +0.76 +0.33	128.33	irredeemables	

17 Coml. and Indl. Prefs. (20) 68.87 13.07 68.87 69.10 69.10 69.10 69.10 69.10 69.10 † Redomption yield. Highs and lows record, base dates and values and constituent cha Saturday issues. A list of the constituents is svallable from the Publishers, the Financial Cannon Street, London, ECAP 48Y, price 13p, by post 22p.

16 Investment Trust Prefs. (15) 49.66 15.49 49.66 48.38 48.38 48.38 48.38 48.38 48.25 51.35

( علد امند للصل



"類類 選

t Management (a)(g)

Prodi. Portfolio Singrs. Ltd. (a) (b) (c)

Hothorn Bars, ECIN 2VH. (01-405 9222)

Am. Exampt. (21-4)

Am. Exam iret, SWIA 9JG. 01-222-8177 Transathemic, and Sen. 39.19, New London Rd. Chelm Barbians June 28 — C.9 (Accum. Units.) — 130.5 (Accum. Units.) — 130.5 (Accum. Units.) — 132.5 (Accum. Units.) — 133.5 (Accum. Units.) — 133.5 (Accum. Units.) — 134.5 (Accum. Units.) — 135.5 (Accum. Units.) — 135.5 (Accum. Units.) — 136.5 (Acc | Ind. Growth | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 10 Funds in Court\* Public Trustee, Kingson Mintan) Unit Trust Managers# (a)(g)
15 Coptail Ave. EIZR 7BU. 01-60-4803
Michael Sec. Pies. 155.0 St.6ed 17.0 Michael Inc. Tol. 14.3 St.6ed 17.0 Michael Reches 18.3 St.6ed 17.0 Michael High Vid. 57.7 62.4 0.3 8.60 G.T. Unit Managers Ltd. 9 16 Finsbury Circus, ECZM 700 01-628 8131 102-7 - 200 103-7 Typida B. Manuscjers L. Ird. W 18, Caropa Road, Brisin L. Inches Jose 27 98.0 (Access, Units) 19.5 Capital Jose 27 18.6 (Access, Units) 19.5 Capital Jose 27 2 St. Mary Aug. EC34 88 PJ. 07 627 6114

Dvalleg copy: 01-622 5766/5806

American: 171 - 622 5766/5806

British 7st. (Acc.) 60.4 65.0 -0.3 3.55

Consmoothy Stager. 24 30.4

Error Income 1st. 22.5 23 -0.2 9.56

First Fast Trust 70.9 91.2 40.2 0.14

Inch Apericies 191. 12.7 15.75 -0.0 4.7

Inch Apericies 191. 12.7 15.75 -0.0 MEL. Trust Managers Ltd.\(\psi\) (a)(g)
Milton Court, Derking, Survey. Dovi Gth Tist Inc. 20.5 27.9st ... 471
Stewart Unit Tst. Managers Ltd.(a)
45, Chorlotte Sa, Edinburgh. 031-226 3271
Stewart American Flund
Startfard Units. 57.4 61.01 ... 151
Accom. Units ... 27.4 61.01 ... 151
Accom. Units ... 27.4 64.01 ... 151
Stewart Artist Capter Flund
Standard Light Capter Flund
Standard ... 170.5 185.2 413
Accom. Units ... 170.5 185.2 413
Accom. Units ... 27.1 413 Milton Court, Dortion Servey.

Milton Court, Dortion Servey.

Melstar High Inc. 491 516 502

Netstar High Inc. 491 516 512 (Accorn. Units) 178.6
Landin Wall Group
Capital Growth 94.6
Do. Accum
Do. Accum
65.7
Financial Print 94.0
Capital Control 95.0
Capital Control 95.0
Capital Control 95.0
Capital Strain 94.0
Capital Strain 94.0
Capital Str Sthis (Antony) Unit Tst. Mgs. Lid. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111
Extra Income 30.0 45, 47.6 40.0
Accountation 77.9 45, 47.6 40.0
Control 45, 47.6 40.0
Control 55, 48.0 40.0 40.0
Control 55, 48.0 40.0 40.0
Control 65, 48.0 40.0 40.0
Control 76, 48.0 40 Marwich Union Insurance Group (h)
P.D. Bax 4, Norwich, NRI 3NG. 0603 22200
Group 7st. Fd. 382.7 402.0 -0.5 5.22 Pearl Trest Managers Ltd. (a)(g)(z)
252, High Holhorn, WCLV 7EB. 01-405 8441
Pearl Growth Fd. 752 272 - 507
Accumu Links 944 373 - 01 710
Pearl Link 7 94.9 37.8 - 01 7.10
(Accumu Links) 49.3 53.1 - 0.2 5.79 | Pearl Trust Managers Ltd. (a)(g)(y) | 252, High Hohorn, WCLV 7EB. | 01-405 8441 | 162-7 | 5.07 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162-8 | 162 TSB Unit Trusts(y)

ZI, Chastry Way, Andower, Hants. 0264 62188

Designs 19 0264 63432.3

(b)TSB General 49 63 6343 0.1 4.65
(b) TSB Income 65 627 70.4 0.5 70.5
(b) Do. Accum 65 70.6 0.5 70.5
TSB Southsh 63 6427 70.6 0.5 70.5
(b) Do. Accum 62 70.6 0.5 70.5
(c) Do. Accum 62 70.6 0.5 70.5
(d) Do. Accum 62 70.6 0.5 70.5
(e) Do. Accum 62 70.6 0.5 70.5 Ulster Banky (a) Grieves an Management Co. List.
59 Grestan Street, EC2P 2DS 01-606 4433
Barrington Asia 27 (238) 2 249 01 4 53
Barrington Asia 27 (238) 2 249 01 4 53
Brins, H. Vd. June 28 179 6 188 1si -71 9 02
CAccian, Units) 273.6 222 4 9 017
Endew, Asia 28 273.6 222 4 9 017
Endew, Asia 27 273.6 232 4 9 017
CACcian, Units) 25, 7 25 3 3 5
Carotistr., June 27 88 2 91 5 3 24
CAccian, Units) 93.4 973 4 466
CACcian, Units) 74.5 77.5 4.06 Unit Trust Account & Migmt. Ltd.
King William St. EC4R 9AR 01-623 4951
Friers Hise Fund 116 46.8 144
Wester Crit, Fand 137.5 59.9 4.01 Wieler Growth Fund King William St. E04R 9AR Income Units \_\_\_\_\_\_\_37.3 Accum. Units \_\_\_\_\_\_\_37.5 INSURANCE AND PROPERTY | Head | 379 Lh(.9 (a)(c)(g) Sourford Rd. E7. 01-534 5544 Henders on Administration (a)(c)(g)
Premier UT Admin, 5, Rayleigh Road, Hutton,
Brechwood, Essex,
U.K. Founds
Cabor Recavery | 46.9 | 50.5 -0.2 | 5.99
Geo. Growth Inc. | 0.19 | 60.4 | 1.3 | 213
Income & Assets | 37.5 | 40.5 | +0.4 | 6.24
Migh Income | 50.5 | 70.5 | 0.5 | 8.07
Cabot Estra Inc. | 50.5 | 50.5 | 0.5 | 8.07
Cabot Estra Inc. | 50.5 | 50.5 | 12.4
Fingential & ITU | 32.6 | 35.2 | +0.8 | 2.44
July Annual Cabot | 32.2 | 36.4 | 40.1 | 22.4
International Cabot | 32.4 | 60.5 | 33.8
Gabot Pred Addition | 32.2 | 36.4 | 40.1 | 22.4
International Cabot | 30.4 | 85.6 | 40.3 | 3.18 Ahbey Life Assurance Co. Ltd.

1-3 St. Pau's Churchyard, EEA.

Capitly Acc.

Capitly A Crown Life Assurance—centd.
Fixed Int. Fd. Acc. 12119
Fixed Int. Fd. Incm. 18653
Intel 1864 Acc. 12119
Intel 1864 Acc. 12659
Intel 1864 Incm. 18656
Intel 1864 Incm. 18656
Intel 1864 Incm. 18656
Intel 1865 Inc. 18656
Int. 1865 Inc. 18656
Int. 1865 Inc. 1865 Crusader Insurance Co. 12d. Vincula House, Tower Pl., EC3. Gth. Prop. June 5.....|81.3 92.2 927 ------Equity & Law Life Ass. Soc. Lts#9
Amersham Road, High Wycombe. 0994 33377
Equity Fd. 125.7 1923 10.2 |
Property Fd. 125.8 131.3 |
Fixed Interest F 116.4 1225 +0.3 |
Std. Depoch Fd. 105.2 110.7 |
Mixed Fd. 1233 129.7 +0.2 | rs & Ca., Ltd.9 (a)(x) EC3. 01-588 2830 —1992 207.8 427 t sib. day July 11. Prices at June 27. Valuation terms by 70 stay.

Although Life Assurance Co. Ltd.

31, Old Burlington St. W. J.

VErguity Fd. Acc. 27,9 27,4 -0.7 
VErguity Fd. Acc. 27,9 27,4 -0.7 
VERGL Money Fd. Ac. 127,4 127,8 +0.2 
VERGL Money Fd. Acc. 17,6 127,8 +0.2 
Empty Per Fd. Acc. 27,9 12,1 1 
Flord I, Pen Acc. 17,6 12,1 1 
For Man. Par Acc. 17,6 12,1 1 
Intl. Ma. Par Acc. 17,6 12,2 1 
Intl. Ma. Par Acc. 17,5 12,4 1 
Fros. Pen Acc. 17,5 12,4 1 
Fros. Pen Acc. 17,5 1 -Hill Samuel Unit Tst. Mgrs. (a)
45 Berch St. EC2P 2LX
(0) British 7rest 157.8 168.8 -0.2 5.49
(b) Capital Tries 31.1 168.8 -0.2 5.49
(a) Dolby Triest 70.2 75.1 10.3 3.99
(b) Financial Tops 55.8 192.5 -0.3 4.79
(b) High Yield Tst. 29.8 19.2 -0.3 4.79
(b) Income 7rest 24.7 26.8 -0.2 7.47
(c) Int 1 Triest 33.8 36.2 31.9
(d) Security Triest 33.9
(d) Security Triest 33 M pie im. Pen. Acc. | 237.2 | 249.6 +0.3 | - AMEV Life Assumance List. | Page 1 | 24.2 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 Investment Intelligence Ltd. (42)(g)
15, Christopher Street, E.C.2.
Intel Inv. Fund | |311 | |32 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | |41 | American | 100.3 | 100.5 | 100.7 | 100.5 | 100.7 | 100.5 | 100.7 | 100.5 | 100.7 | 100.5 | 100.7 | 100.5 | 100.7 | 100.5 | 100.5 | 100.7 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 100.5 | 1 Key Fund Managers Ltd. (a)(g)
25, MRR St., EC2V 8JE
601-606 7070
Key Energy In Fid. 96.0
Key Energy In Fid. 96.0
Key Energy In Fid. 96.0
Key Exampt Fid. 209.4
Key Income Fund 70.3
Key Fixed int. Fid. 98.5
Key Stand Co's Fid. 1115.2
126.8 -0.8 5.25

Prop. Fd. June 20 152.10 33.13 ...4

Reliance Mutusi
Tunbridge Wells, Kent. 0392.22271

Rel. Prop. Bds. 247.9 ....1

Ruthschild Asset Management
St. Swithins Lane, Lendon ECA. 01-626.4356

N.C. Prop. 128.4 136.7rd ...4

Next san period June 29.July 13.

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**ENGINEERING—Continued** 

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56/70 Putney High Street, London SW15 1SF, England. Tel: 01-788 3212

| State | Stat BRITISH FUNDS Price + or Yield 5 - Int. | Red. "Shorts" (Lives up to Five Years) 307 1257 1060 13.02 362 12.35 925 12.69 9.75 12.57 3.65 2.01 12.90 12.32 11.54 11.76 13.80 11.82 10.06 11.82 10.07 11.37

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Over Fifteen Years

Treasury 91:pc 1998...

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Leeds: Permanent House, The Headrow. Tel: 0532 454969

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**AMERICANS** 

1979 High Law

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**CANADIANS** 

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THE PROPERTY AND THE PR incial Times Friday June 29 1979 41 )USTRIALS—Continued INSURANCE—Continued a fully inlegrated banking service MINES-Continued AUSTRALIAN Acner Acner Boysonile 50 Tea BH South 50c Central Pacific NL Corrar Rothino 50c Collas Pacific NL Endeavour 20c G. M. Kalgoorile SI. Harroth Areas 5p. Metals Ex. 50c Minefields D. Ph. Moord Lyell 25c Meymetal 20c North B. Hill50c Nth. Kalguril Nh. West Mining Oakhridge SAI — Ollmin N. L. Pacific Copper — Pannoart 125c Paringa M&Ex. 5p. Paringa M&Ex. 5p. Paringa M&Ex. 5p. Pero-Wallsend 50c Southern Pacific Copper — Pannoart 125c Westmer, Wharm Creek 20c, York Resources 12938397112888211468114581682222311951 +12 +21 +12 +3 +13 +13 +13 +11 +11 +11 +12 +21 +21 +21 +21 102c 20 3.0 103c 1.7 2.7 108c 1.3 4.6 102c 1.9 8.0 103c 3.3 3.2 103c 0.7 1.3 103c 1.7 1.3 20 30 1 21 20 30 17 27 Amal. Nigeria
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Premier \_\_\_\_ 5

Shell \_\_\_\_ 25



BY STEWART FLEMING IN NEW YORK

said that it plans to acquire Marsteller in a deal which it is claimed will knock J. Walter Thompson from its pusition as the largest U.S. advertising

Both are privately beld and no details of the financial terms of the transaction have been

Over the past year there has been a series of mergers between large U.S. advertising agencies. Last year Ted Bates and Company overged with Campbell-Mithun to create a group with combined billings of around \$1hn (£500m) at the time and a week later the loterpublic Group started moves to acquire SSC and B.

Several factors are given to explain the merger trend in the advertising industry. Many agencies bave been doing well over the past couple of years and have money they can speed in order to grow. Mergers may also help to improve a com-pant's geographic or industry coverage and perhaps coverage and perhaps strengthen segments of its busi-

nesa where it feels weak. The smaller compaoies being acquired may sometimes feel cam, \$204m; McCann-Erickson, acquired may sometimes feel that their size bas become a disadvaotage lo pursuing the bigger accounts. Another factor which could affect the treod is the merger wave on Wall Street which is bringing together some major corporations.

Last year Mr. Edward N. Last year Mr. Edward N. Ney, chairman of Young and

YOUNG AND RUBICAM has gest and the best in commercial persuasion. We want to flesh out our geographic net-work and range of services." Marsteller is the largest io-

dustrial advertising ageocy and has been anxious to expand its consumer husiness. Its total billings last year were \$306m. It will bring to Young and Rubicam its Burson-Marsteller public relations division, which is vying with Hill and Knowl-ton as the leader in inter-

oational public relations. Marsteller is also facing a change of management at the end of the year when Mr. William A. Marsieller, fouoder and chief executive, who is 65, will retire. As it is a privately beld concern this could be a factor io the deal.

The world's largest advertising ageocy, according to the latest survey by Advertising Age of Chicagu, is Dentsu of Japan with 1978 gross iocome of \$321.4m on gross billings of \$2.21bn. Gross income last year for the remainder of the world's top ten was: J. Walter Thomp-soo, \$221.5m; Young and Rubicam, \$204m; McCann-Erickson,

agencies ioclude McCaon Erick son and Campbell-Ewald Inter-Rubleam, which had billings in its latest fiscal year of \$1.36hn said: "We want to be the big-

# Lord Thomson to see print union leaders

BY ALAN PIKE, LABOUR CORRESPONDENT

chairman of the International cause for hope. Thomson Organisation, is to Last week the NGA national meet leaders of the National council decided to find new jobs

It will be the first meeting between Lord Thomson and the union at the centre of the conflict over the introduction of new computer-based typesetting since Times Newspaper maoagement suspended all publication oo November 30.

Lord Thontson declined a previous request for a meeting from Mr. Joe Wade, NGA general secrctary, shortly after the suspension of publication. However, he responded to a renewed request from Mr. Wade and Mr. Les Dixon, NGA president, after Thomson Organisation annual meeting on Wednesday.

the meeting but it is expected to be next week. Mr. Wade has system with journalists and cancelled a visit that he was to have made with a union delegation to East Germany next

Mr. Wade sald yesterday that he could not predict what the Printers, of meeting might produce, but the Personnel.

LORD THOMSON of Fleet, fact that it was taking place gave

Graphical Association to discuss for its 600 members at Times the dispute that has halted production of Times Newspapers' declared that they did not think publications for seveo months. reappear. The union has not yet implementlog decision but will do so if the meetiog with Lord Thomson proves fruitless.

Lord Thomson said yesterday that he welcomed and was glad to respond to the union request for a meeting. He will be accompanied by Mr. Gordon Brunton, president of the International Thomson Organtsation; Sir Deois Hamilton, chairman and editorand Mr. Duke Hussey, chief

executive of Times Newspapers Times Newspapers has failed to agree with the NGA on the company's demands that NGA No date has been fixed for members must eventually share

> The management also has important oustanding points of difference with sections of the National Society of Operative Printers, Grapbical and Media

capped, there can no longer be

#### Barrage of criticism over 30m undelivered letters

BY JOHN LLOYD

THE POST OFFICE, which community is severely handinow has a hacklog of some 30m undelivered letters throughout an argument that private exter the country-and which faces prise should not move in." a possible halt in susplies of siamps because of threatened Jnseph, the Industry Secretary, industrial action by clerical requesting Government support workers, took a harrage of A call from the Conservative criticism yesterday from users' Selsdon Group to the Governgroups and Conservative MPs. Sir William Barlow, the Post Office chairntan, said in a night that interest charges on the nation's mail delivered postal business to cover the shortfall in telecommunications from the Mail Users' Associarevenue-a result of telephone tion, the independent body hilling being halted for 10 representing a number of large

Sir William admitted that the probleme faced by the corpora- postal service in future, and a International Energy Agency to tion for the past five monibs " unprecedented." But he said that if there were no further industrial troubles, said that he and his colleagues fallback position the Comits problem period "had just had treated claims that posts munity's undertaking at last about reached the bottom of the trough."

He warned that if he con-

• A plan to introduce a Bill in said that "as postal services cver, to know whether it marks grind to a halt and the business a trend.

Trotter has written to Sir Keith ment to "stop shielding the Post Office from competition." It said that " private firms open in Birmingham last ating in competition would ge borrnwed from the efficiently and cheaply." business to cover the .An open letter to Sir William weeks by industrial action—had mail users, calling on him to give "a realistic assessment of current problems." Mr. Robin per cent in 1979. Fairlie, chairman of the MUA. West Germany s

ceded pay claims of up to 30 postal business."

oil—slightly higher than the per cent, it would mean "very Advertisements placed by actual 1975 figure. This avoids

One piece of qualified good news for the corporation last the Commons under the ten night was a drop in the volume minute rule to end the Post of undelivered mail-from 32m Office monopoly. Mr. Noville letters on Wednesday to 30m and that there was Trotter, who will move the Bill. resterday. It is too early, how- acknowledgement that

# Merger will form | Comecon agrees on nuclear power switch

BY DAVID SATTER IN MOSCOW

energy stations, was signed yes-terday by the Prime Ministers of Comecon from of Comecon, the Eastern Blocs sent level of 15 economic grouping. It will prepare the way for the massive transition to nuclear power Czechoslovakia are to manufacenvisaged for the Eastern Bloc ture the reactors, with the in 1981-1990.

The Comecoo summit also concluded its three-day meeting with a promise hy the Soviet Union, Comecon's principal Union. energy supplier, to increase its deliveries of fuel and eocrgy by 20 per cent in 1981-85.

The pledge comes at a time wheo the Soviet Union is experiencing increasing difficulty in exploiting its reserves of fossil fuels. The rate of increase in Soviet oil production is falling and oll production targets for the first part of mised increase in Soviet every this year have not been met to produce to produce the meeting what form the protuction targets for the first part of mised increase in Soviet every deliveries would take in 1981-85. this year have not been met.
The agreement on diversifying

By Kenneth Gooding, Motor Industry Correspondent

HALF-YEAR new car sales in the UK have topped 1m for

the first time.
As a result the indostry's

forecasters are adjusting their

estimates upwards. It is widely expected that registrations

However, the Society of Motor Manufacturers and Traders is still conservatively estimating sales of 1.62m for

The ontome for the year depends on Angust, when the new "V" registration letter is introduced. It is a month when private buyers like to take delivery of new

The August registrations may reach around 220,000.

There would have to he a steep drop in the following months for the 1973 sales

record to be missed.

The figures for June are

the figures for June are certain to set a record for the month and be around 190,000 against the 142,035 peak in 1973.

The market was already

very bnoyant and was given extra impetus, first by pre-

extra impetus, first by pre-Budget huylog and then by the beat-the-VAT spree. Importers benefited from the demand and took more than 56 per eent of the market with six days to go.

Datsun, with nearly 6 per cent and Volkswagen-Audl,

with 5.5 per cent, beaded the traditional importers.

24.5 per cent while BL's rose to over 21 per ccot-

aoother sign that private rather than corporate buyers

were out in force. Ford's imports were also down. Its asembled - overseas vehicles accounted for around 12 per

accounted for around 12 per cent of the total market.
Vanxhall cootinned to struggle in June because of production difficulties and could manage only a 6.5 per ceot market sbare. Cbrysler UK's was around 7.5 per ceot. Of the Individual models Auslin Morris's Mini, which

Auslin Morris's Mini, which celebrates its 20th anniversary

in August, bas pushed its share of the car market in June to nearly 5.5 per cent. When final figures appear it is likely that 10,000 Minis

will have been sold during the month, a 10 per cent rise on the figure for May when 9.075

were sold (4.7 per cent of the market).

Continued from Page 1

Ford's market sbare fell to

facture of equipment for atomic goal of increasing the nuclear operatively by Comecon. capacity of Comecon from its pre-sent level of 15 to 18m kilowatts to 150m kilowatts by 1990. The Soviet Union and

Suviets manufacturing energy complexes with a capacity of 1m kilowatts each, rising eventually to a capacity of 5m kilowatts, and Czechoslovakia pro-ducing units with a capacity of up to 410,000 kilowatts.

Other Comecon countries are to produce various componeots

There was oo indication at the meeting what form the pro-mised increase in Soviet eoergy deliveries would take in 1981-85. But a large share of the new the manufacture of atomic atomic energy generating power station equipment will capacity is to be located inside

AN AGREEMENT on the manu- underpin achievement of the the Soviet Union and built co-

The Comecon session also adopted two "programmes" for co-operation in the manufacture of consumer goods including colour televisions and furniture and co-operation in transport including improvement of the railways linking the Soviet Union, Czechoslovakia, and Hnngary and reconstruction of the roads linking Moscow, Warsaw and East Berlin and Moscow, plus Bucharest and Sofia.

Mr. Alexei Kosygin, the Soviet premier, said in a speech at the aessioo, that the Soviet Union will have delivered almost 370m tonnes of oil, 46m tonnes of oil products and 88bn cubic metres of natural gas and 64bn kilowatt hours of electric power to Comecon countries in the five-year period which ends

in December, 1980. Energy Review Page 3 Lombard Page 22

#### Film industry tax Half-year record 1m changes proposed car sales

BY ARTHUR SANDLES

SWEEPING CHANGES in tax for the British film industry are duction should be immediately proposed by Sir Harold Wilsoo's tax deductible. Ioterim Action Committee on the Film Industry. Its report more generous tax allowances suggests the changes to make it such as those for botels. easier for iovestors and participants in the industry to keep profits and earnings.

this year will reach a record 1.7m compared with the previous peak of 1.66m in 1973. The report also recommends changes in the UK film support system—Eady money—to stop cash going to soft porn and sex exploitive productions. The committee feels that there

the year.

The 1m mark was passed with six trading days still to go in June. That suggests that by the end of the month the half-year sales will reach 1.020,000 compared with the 916,055 in 1973. is oo shortage of film money in Britain, but that it is oot speet to the iodustry's best advantage.
"American companies show drive and initiative that are all to seldom shown hy Britisb companies. The talent that grows in movies.

Brtain is not nurtured in The c Britain, it would seem."

The attraction of the U.S. To bring more money into

British production and distribution the committee urges • Tax relief for companies or individuals investing in films by treating losses as trading loss as with banks and financial institutions,

Expenditure on film pro-Cinemas should be given

committee individuals to be able to work

on British films for 120 days e year without incurring tax on world-wide income. Their income should be averaged over at least three years. Eady money is a fund created

by a levy on all box office sales and redistributed to Britishmade films according to their gross takings. The committee is alarmed by the amount of cash this gives to X-rated sex The committee says no more

than balf the Eady fund should be distributed automatically. industry. together with high rest should be distributed rates of personal taxation in the rates of personal taxation in the UK, has led to a talent drain to Hollywood.

Total Eady money would be distributed in a discretionary way by a proposed British Film Authority. limited to a ceiling equal to the labour costs of e film.

The Financing of the British Film Industry: Secood Report of the Interim Action Committee on the Film Industry. Cmnd. 7597, SO. 40p.

News Analysis Page 7

Continued from Page 1

#### Dollar under pressure

significantly more during the

The Buodesbank Council yes-terday uoexpectedly failed to take steps to counter West Germao inflation, such as tightening credit. This may have been partly in order to evoid eocouraging movement into the D-mark.

The renewed pressures on the dollar, following the marked weakness of the past 10 days, was in response to the latest U.S. trade figures and to the results of the OPEC meeting. But the shortening of credit periods by the Saudis is likely to increase demand for the

The OPEC meeting and the weakness of the dollar boosted sterling. Any Bank of England Intervention to check the rise is likely to have been very

The trade-weighted index rose by 0.4 points to 69.4, its bighest level since March 1976. This is an appreciation of nearly 3 per cent in the fortnight since

The Bundesbank hought \$20m the Budget, and of 81 per cent at the fixing and prohably since the beginning of the year.

Sterling gained against the main Continental currencies-rising from DM 3.98 to DM 4.00} -as well as against the dollar. Scattered showers, sunny iotervals. Max. 18C (64F). Wales, N.W. England, Lakes, Isle of Man The pound touched a peak of \$2.1775 at one stage, before slipping back to close 1.30 cents up on the day, at \$2.1690, the Showers with sunny intervals. N.E. England, Borders, Edin-burgh and Dundee, Aberdeen highest finishing level since July 1975.

The strength of sterling at last spilled over into the giltedged market, which until yesterday had been drifting nervously. There were gains of up to balf a point in long-dated stock, and the Government Broker was able, for the first time, to sell small amounts of the 1984 and 1999 tap stocks at slightly above last week's issue

Sales of the 1999 stock were largely nominal and the market is still not firmly based. Some overseas interest was reported yesterday but most recent inflows from abroad have

remained in very short-term

# Tokyo summit energy differences

give "a realistic assessment of based on the existing agreement what users can expect from the by members of the Parls-based full and open admission of try to cut oil consumption by 5

West Germany suggested as a were "dead" with scepticism, year's nine-nation Bremen sumbut we had reckoned without mit to set an annual EEC the suicidal tendeocies of the import target of 500m tonnes of per cent, it would mean "very Advertisements placed by heavy increases" in post and pools promuters to advise their customers in use collectors, decision to change the Strasbone charges. target has already been adopted by all nine nations.

French officials said the U.S. seemed willing to compromise. and that there was general acknowledgement that all countries must agree to "an equal balance of commitments."

Canada, which had earlier countries about \$20bn in balance taken the toughest line against of payments terms. He warned medium- or loog-term restriction of the near prospect of a major tions, appeared to be wavering crisis for the world economy. in its resistance to cuts in 1980-

night, envisaged combining a less firm goal for 1985, to suit the Americans, with specific figures for only this year and next, in deference to the Community's objections. European officials felt the U.S. bad yet to show real will-

ingness to accept a big cut in programme is to succeed. the EEC Commission, said the would probably cost the OECD tion.

#### A distinction between short-term "targets" and medium term "goals," also being touted last for exports for exports

ness opinion by the Confederation of British Industry's West Midlanda region shows a disturbing outlook for exports. Mr. Steve Rankin, the CBI's regional director said last night that overseas sales have been imports—essential if any new sustained only by accepting a programme is to succeed.

Mr. Roy Jeokins, President of porters bad to contend with

THE LATEST survey of busi-

higher oil prices, a strong

THE LEX COLUMN

# A new OPEC cash mountain

Except among gold bulls, for whom the price of oil cannot go bigh enough, there seemed to be some relief in financial markets yesterday that the OPEC meeting had let the world off with a mere \$23.50 a barrel. The relief may not last very long. OPEC's investible—that is unspendable—surplus this year is going to be enormous; stockbrokers Hoare Govett are estimating something of the order of \$45hn, against \$10bn or less in 1978.

In the second balf of this year the surplus is going to be running at an annual rate of around \$70bn, and the effect on currency market flows will be even greater if the other OPEC countries follow Saudi Arabia in cutting the credit period offered to the oil companies from 60 days to 30. This decision by the Saudis alone will increase OPEC's casb-flow by \$5bn-if it were universally applied the figure would be nearly \$20bn. The dollar can expect to receive substantial technical support from the price rise and the tighteoing of credit terms, with a once-and-for-all increase in demand for dollars as the oll companies face bigher bills. It could do with more than a little help; Bundesbank intervention to support it has swelled the German reserves by \$1bn in a week. But just as the strength of the dollar this spring following the earlier rise in the oil price proved short-lived, so it may be this time, as the OPEC countries may be more than usually keen to diversify their

curreocy risks. Sterling is an obvious beneficiary of any such diversification, particularly at present in-terest rate levels, which will only intensify the British authorities' difficulties. In any but the present extraordinary monetary circumstances, interest rates would be falling steeply. There are signs, albeit tenuous, that loan demand has falleo off ahruptly since the VAT-inspired spending boom stopped in its tracks e fortnight ago. If these are confirmed, and if all the exceptional items boosting credit demand over the last few months are being reversed, then the credit sone denly seem less menacing. It result of slackening loan demand to tempt the large sums of overseas money now on deposit in the domestic and external sterling markets, to flood into gilt-edged.

lands

Scattered showers with aunny periods. Winds fresh or strong. S.W. and N.W. Scotland, Glas-

gow, Cent. Highlands, Ulster Heavy showers in places. Bright intervals. Winds strong

with coastal gales. Max. 15C Moray Firth, N.E. Scotland,

Orkney and Shetland Mainly cloudy, heavy showers, trong winds. Max. 13C (55F).

Outlook: Sunny periods and

WORLDWIDE

showers.

Index rose 2.4 to 469.3 PLESSEY

Whatever is hoppening to loan demand, the higher oil price could increase the viability of the sterling markets. . Whether. or not investors were sniffing a petrodollar bull market yester-day, they were nibbling at the two gilt-edged tap stocks, per-baps to the tune of £100m

1975/6 1976/7 1977/8 1978/9

Plessey

As ever, there are two images of Plessey. There is the growth company in the glamorous electronics sector, with final quarter pre-tax profits surging to £13.3m, up more than a fifth on the same quarter last time, while the year-end order book has risen by an impressive 22 per cent to £817m. But there is also the untidy electrical conglomerate which has taken five years to push up pre-tax profits from £40m to the latest £46.2m and is a dab hand at extraordinary charges to However the Gerr keep at least some of its prob-lems below the line. This year calendar year basis and £4.2m of reorganisation costs at Garrard, for instance, are treated as extraordinary, includ-

ing some that went above the line in earlier quarterly results. At least the sale of the ICL stake in January has given the U.S. is in view, end that a Plessey a financial breathing comfortably be accommode space. After the receipt of within Redland's strong balance. space. After the receipt of within Redland's strong bala-figuration of the space o it is doubtful whether a payout ie able to loosen its purse strings and budget for a capital epend of over £40m in the coming year. This would mark real growth, after several years in which Plessey has speot less than its

But how is the group to for the higher spending finance, the working carl requirements of a big of book? The answer is clair to be, out of higher pro Certainly there is scope trimming losses which ran combined total of over £10t

Garrard and Edge Lanc in 1 1979, but Plessey also need step up margins generally. two way bet for the chare 105p, where the yield is 8.9 ccot, is that Plessey ct succeed and push profits at £55m or it could fail in will case the predators would sharpening their teeth. Meanwhile Plessey's rival telecommunications STC m its market debut yesterday 178p. a premium of just o a tenth on the offer price.
that level its yield is trim
to 6.4 per cent, but the f
taxed p/e is still comparable.
Plessey's 11.4.

Redland ...

Redland's profits for 1971 are up from £39.9m to £45 pre-tax, and they would h been £2m or £3m higher still for bad weather and the hage strike which sent the age sirke which self the figures into reverse in second helf. The UK c accounts for around a third Redland's profits these d which is just as well since short term outlook at home

short term outlook at home not inspiring.

The group expects UK he ing starts to fall by up to 5 cent this year, and activity other sectors will also be do in addition profits in the 1 six months have been hit was the description. more bad weether in April

May. However an appalling start to the yis now recovering strongly the U.S. acquisitions could by in on initial £4m or m before minority interest Further sizeable investment

So profits this year should usefully higher and there is promised bes gone up by 50 cent. The latest payment covered 8.7 times (or 2.3 tir on a current cost basis) a gives a yield of 51 per cent 176p.

#### Veather UK TODAY SHOWERS and sunny intervale London, S.E., S.W. and Cent. S. England, Channel Is. Dull and misty start, hecoming brighter. Max. 18C (64F). E. and Cent. N. England, Mid-

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